This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

+ *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.

+ *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.

+ *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.

+ *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at `http://books.google.com/`

Por el bien de una Patria, Pacífica, Culta y Dichosa

LA DEFENSA

Un Gran Gran Un Gobierno de Progreso Nacional

Vale 5 cts. en la Capital

DIARIO REFORMISTA

"EL PERIODICO DEL PUEBLO"

Vale 5 cts. en la Capital

Suscripciones en México y D. Federal $1.00 al mes. DIRECTOR PROPIETARIO: LIC. MIGUEL CALDERON MANRIQUE. Suscripciones en los Estados: $4.00 al Trimestre

Año II.—Tomo IV. OFICINAS: Calle de Manrique 5. TELEFONO ERICSSON 36-30. MEXICO, MARTES 14 DE AGOSTO DE 1917 Registrado como artículo de 2a. clase el día 30 de julio de 1917. NUM. 290.

Mexico Entregado a E.U.

A Pretexto de Subsidios en Papel y Metálico, el Antiguo Protegido de Blanquet, Félix Palavicini quiere Comprometer al País con los N. Americanos

Cual Nuevo Almonte, Está Traicionando a la Patria en el Extranjero, con Gran Disgusto de los Mexicanos Todos

Todas las informaciones al respecto de lo declarado en Nueva York por el Director de "El Universal," Félix F. Palavicini, antiguo protegido del Ministro de Huerta, Aureliano Blanquet, demuestran que el citado político se halla en los Estados Unidos gestionando la sumisión de nuestro país a la funesta política norteamericana a condición de que se le dé papel y dinero para su publicación que, como es sabido, eroga fuertes sumas en sostener a todo ins individuos reaccionarios que se han cobijado bajo su protección en las filas de "El Universal."

En efecto, se sabe que los fabulosos sueldos que disfrutan todos los huertistas y villistas que reune diariamente Palavicini en el edificio Gambrinus, para que le redacten crónicas ayancadas, no pueden ser cubiertos, no obstante las grandes sumas de dinero que a pretexto de anuncios le dan las casas francesas y por ese motivo Palavicini ha tenido que ir a los Estados Unidos a establecer ciertos compromisos con los políticos y con los diarios yanquis para que le den papel y dinero para seguir sosteniendo a sus paniaguados y compinches, que generalmente cobran en dólares.

Si como se piensa el funesto protegido de Blanquet y que antes lo fuera de Correa y Justo Sierra, continúa haciendo declaraciones impertinentes, de fijo que su regreso al país será imposible, pues los mexicanos están hartos ya de su mendacidad.

Al Oeste de la Isla de Rea Fue Hundido el Vapor Norte-Americano 'Campania'

NUEVA YORK, 13 de agosto.—El Departamento de Marina ha publicado nuevos detalles que se relacionan con el hundimiento del trasatlántico norteamericano "Campania."

Dicese que el vapor de referencia fué hundido por un submarino alemán al oeste de la Isla de Sun.

Conforme a siete de los tripulantes logrados salvarse y los demás ahogados ya en tierra firme. Creese que el capitán y cuatro guardias navales fueron hechos prisioneros a bordo del sumergible teutón.

Rec en con isla fortificada, situada en el Golfo de Gascuña, frente a la Rochela.

Los cinco prisioneros son los primeros norteamericanos que caen en poder de los alemanes desde que se declaró la guerra.

La Huelga de Ferrocarrileros en España ha Tomado Muy Graves Proporciones

MADRID, 13 de agosto.—La huelga de ferrocarrileros ha tomado mayores proporciones que las que se figuró el Gobierno en un principio.

Los elementos obreros habían preparado un complot de carácter revolucionario, que debía estallar como protesta por el fracaso de la huelga de los empleados de ferrocarril.

Varios aeroplanos repartieron por las calles y talleres unas hojas de carácter sedicioso, en las que se incitaba a los obreros a abandonar sus tareas y a rebelarse contra las autoridades.

Poco después se reunieron millares de obreros que trataron de hacer una manifestación en favor de los huelguistas, pero la policía la arrió y fueron detenidos varios de los manifestantes.

Las Tropas Alemanas Siguen Triunfando Sobre las Huestes Inglesas en el Frente Belga

BERLIN, 13 de agosto.—Después de un violento fuego preparado por la artillería, varios regimientos británicos atacaron las líneas alemanas en el frente belga.

El Estado Mayor alemán informa que las fuerzas alemanas vieron obligadas a retirarse con fuerzas numerosas enfrentadas contra fuerzas reforzadas inglesas.

Cerca del monte Carmilet, fue

Mister H. Fletcher Entrevista al C. Presidente de la República

El Embajador de Estados Unidos en México, Mr. Fletcher tuvo una conferencia la mañana de ayer con el C. Presidente de la República.

Este avisó dió por resultado que el Secretario de Guerra mirara con

De la Tragedia en la A. Metropolitana Surgen Dos Hechos: las Heridas por la Espalda y la Intervención de un Tercero en Dicha Reyerta

Se Registró Ayer en Territorio Belga un Duelo de Artillería

La Intensidad de los Bombardeos en el Iprés no ha Disminuido en solo Instante

AMSTERDAM, 13 de agosto.—El Corresponsal del periódico británico "Telegraph" anuncia que durante la tarde del día de ayer se registró un terrible duelo de artillería en el sector belga, principalmente en el sector que desde Iprés se extiende hasta las costas del Mar del Norte.

El propio corresponsal afirma que la intensidad de los bombardeos en esa zona, no ha disminuido todavía hoy.

Bajo el Fuego de las Tropas Leales Cayeron los Hermanos Márquez

Tres cabecillas reaccionarios que operaban en la sierra de Puebla cayeron ayer bajo el fuego de las tropas leales. Los hermanos Emilio, Esteban y Gaspar Márquez, desde hace tiempo se habían levantado en armas contra el gobierno actual. Hace días se posesionaron de la población de Otatlán, perteneciente a Puebla. El general Pedro Morales, Jefe de operaciones en esa zona, comisionó al mayor Barrios para que fuera a batir al enemigo.

La batalla comenzó a las seis de la mañana, terminando a las tres de la tarde, hora en que las tropas del gobierno derrotaron al enemigo.

Los hermanos Emilio y Esteban quedaron muertos en el campo de batalla; Gaspar fué aprehendido y fusilado inmediatamente por orden del jefe de las tropas del gobierno. El resto de los sublevados huyó rumbo a la sierra.

SUBMARINOS EN NUEVA YORK

NUEVA YORK, 13 de agosto.—El capitán de un trasatlántico que navegaba a la altura de esta puerta envió avisos inalámbricos que fueron transmitidos al departamento de Guerra, de haber visto claramente el periscopio de un submarino, que supuesta fuera enemigo.

No Existe Ninguna Estación Inalámbrica en la "Isla de Lobos"

Sin Embargo se Practicaron esa Mañana Visita de Inspección en Esas Aguas

WASHINGTON, 13 de agosto.—Los principales diarios de esta ciudad dan a conocer entre los lectores que ahora se encuentran en las costas del Golfo de México, extensas declaraciones y bases de aprovisionamiento pertenecientes a submarinos alemanes. Los citados diarios dicen que pudieron estar bajo las órdenes del capitán Von Hintze, que fué investigando, y quizás hasta se encargó para recibir víveres con los alemanes.

De cuyo que el objetivo del bombardeo era el estuario del Támesis, para debilitar a la oposición interceptando de los ríos, dicen británicos, se impidió dicho ataque.

La población de Margate se encuentra en la línea de visuales que habían sido a poner allí el Domingo, encontrando la misma en North Heat, comandante entre las víctimas numerosas personas.

Se sabe que una sola bomba mató a siete personas e hirió a otras más.

Los Ultimos Informes Sobre el Bombardeo a la Ciudad de Londres

La Población de Margate fue la que Sufrió Mayores Perjuicios Pereciendo 7 Personas

LONDRES, 13 de agosto.—El Gobierno ha publicado hoteles en los que da cuenta del bombardeo llevado a cabo por aeroplanos alemanes sobre poblaciones y ciudades que el mencionado país considera más de menos importancia, a no ser por la pérdida de las víctimas ocasionadas.

Los aviadores ingleses, tan pronto como tuvieron conocimiento del bombardeo, se dirigieron para cubrir nuevamente con los aeroplanos.

De cuyo que el objetivo del bombardeo era el estuario del Támesis, para debilitar a la oposición interceptando de los ríos, dicen británicos, se impidió dicho ataque.

La población de Margate se encuentra en la línea de visuales que habían sido a poner allí el Domingo, encontrando la misma en North Heat, comandante entre las víctimas numerosas personas.

Se sabe que una sola bomba mató a siete personas e hirió a otras más.

DECLARACIONES DEL POLICIA VILLALPANDO ACLARAN PUNTOS HASTA HOY DESCONOCIDOS

La justicia ha comenzado a practicar las primeras diligencias en el asunto relacionado con la muerte del Capitán Ignacio Díaz, cuya tragedia tuvo lugar en la Academia Militar Política.

El semanero 1717, Enrique Villalpando, ha declarado ante el Juez de los autos que el día de los sucesos, temo a las cinco de la mañana, vió que tres personas salían del referido establecimiento y subían a bordo de un automóvil que estaba en las afueras. A la inquisición del actor en cuestión se refirió al Capitán Díaz, que dirigió palabras al General Heriberto Vigil. Que a esa intención, una de las señoras del automóvil se puso de pie, disparando contra Díaz, quien cayó por tierra al tercer disparo.

Igualmente manifestó el gendarme referido que la persona que disparaba desde el automóvil portaba dos armas de fuego, sosteniendo cada una en ambas manos.

Practicada la autopsia del cadáver por los médicos legistas, fue certificado que el cadáver del Capitán Díaz presentaba cinco heridas, al parecer hechas con armas de fuego. Según la opinión médica, dos proyectiles tocaron el corazón de Díaz por el frente y los otros tres por la espalda.

El distinguido personal será aprehendido por el Juzgado que conoce el asunto, a efecto de esclarecer totalmente el sobre General Gaeta. Vigil declaró sobre Díaz, a todos esa tercera persona que tomó parte lamentable en este sangriento drama.

La policía se ha encargado de aclarar el hecho y nosotros nos proponemos definir esa circunstancia.

No sabemos hasta hoy si habrá detención para las investigaciones.

El Gral. Alvarado Evitará que F. Díaz se Interne en la Rep. de Guatemala

Las tropas que están al mando del General Salvador Alvarado y corresponsal en el flor de la República, han comenzado a huir en todo caso a los rebeldes. Invadieron en los Estados de Tabasco, Campeche, Chiapas y Veracruz.

El propósito que tiene el General Alvarado al visitar esta fuerza es el de evitar que Félix Díaz se interne en Guatemala.

Según dicen oficiales que se tie-

Los Austro-Alemanes se han Apoderado de la Población Rumana de Ponizie

BERLIN, 13 de agosto.—Los soldados austro-alemanes durante el día de ayer se apoderaron de la importante población rumana Ponizie, situada en la Moldavia meridional.

Las tropas rumanas huyeron desordenadamente hasta el último momento, pero al fin vencieron los imperiales.

POR LA CAMARA

Los CC. Diputados Arellano, Ramos, Flores y Salinas, presentaron un memorial en el cual se pide a la Representación Nacional que interpele al Subsecretario de Hacienda para que informe sobre el cargo que una gran actuación en la mencionada Secretaría, los norteamericanos Asher Chandler y Kenneson.

El Diputado Manrique pide dispensa de trámite y por mayoría se aprueba la proposición.

La Delegación del Imperio Japonés Arribó Ayer a San Francisco Cal.

WASHINGTON, 13 de agosto. La Comisión Japonesa ha arribado a San Francisco, California. Los personajes japoneses que la forman tuvieron la travesía desde el lejano Oriente a bordo de un buque de guerra nipón.

Se rumora que los representantes de los países aliados en Washington, están de acuerdo en que se anuncie el Japón que entre en pie tripulantes en la contienda.

En la Embajada Japonesa hay visible opresión a que el Imperio de Yamato envíe tropas a la Europa, antes que los aliados denuncien su necesidad indispensable.

El Consejero de la Embajada, señor Tanaka, declaró hoy que el próximo viaje será hasta en Corea para partir al primer aviso al lugar que se le destine para pelear contra los imperiales.

La Campaña de los Submarinos Continúa con Gran Actividad

El Gob. Americano ha Declarado Oficialmente que 24 Buques los han Sido Hundidos

NUEVA YORK, 13 de agosto. El Gobierno ha declarado oficialmente que los submarinos alemanes han hundido treinta y cuatro buques mercantes, con cierto tres mil toneladas en total.

Han desembarcado en un puerto norteamericano del Atlántico, cuyo nombre se ruega a Asr el Departamento de Marina, el capitán y seis tripulantes del buque vanqui "Hammond", que fue hundido última. tripulados por un submarino alemán.

Un destroyer los recogió a tres cientas millas al nordeste de Irlanda, siendo los únicos supervivientes de la catástrofe.

La Subscripción a "La Defensa" 1 Peso al Mes

[redacted]

E-5331

PC

No. 86.

GRATIS
(Para los mexicanos)

Dls 4.00

SERVICIO CONSULAR MEXICANO

CONSULADO GENERAL EN NUEVA YORK

PASAPORTE

FILIACION:

Nacionalidad Americana
Edad 27 años.
Estado Casado.
Profesión Corresponsal.
Estatura mediana.
Color blanco
Ojos azules.
Pelo castaño.
Barba afeitada.
Señas particulares ninguna.

Personas que lo acompañan

Concédese libre y seguro pasaporte á l Sr.
Carl W. Ackerman
para dirigirse á la ciudad de Mexico Via Laredo
y se suplica á las autoridades civiles y militares, que no le pongan obstáculo.

Nueva York Julio 10 de 1917

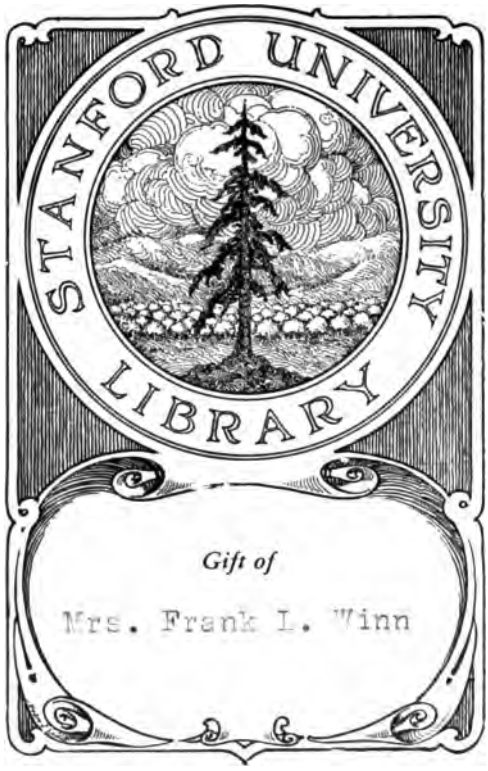
El Cónsul General

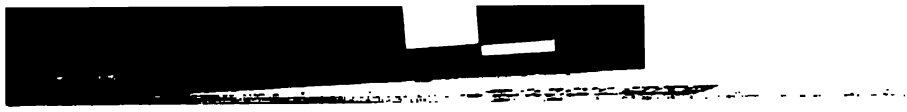
Firma del portador:
Carl W Ackerman

Estados Unidos Mexicanos
Nueva York

DILIGENCIA UNICAMENTE PARA IDENTIFICAR AL PORTADOR.

Para la firma del portador en el caso en que sea necesaria nueva identificación al presentarse este pasaporte:


STANFORD UNIVERSITY
LIBRARY
Gift of
Mrs. Frank L. Winn



MEXICO'S DILEMMA

CARL W. ACKERMAN

MEXICO'S DILEMMA

BY

CARL W. ACKERMAN

AUTHOR OF "GERMANY THE NEXT REPUBLIC?"

ILLUSTRATED

NEW YORK

GEORGE H. DORAN COMPANY

972.084
A182

COPYRIGHT, 1918,
BY GEORGE H. DORAN COMPANY

COPYRIGHT, 1917,
BY THE CURTIS PUBLISHING COMPANY

COPYRIGHT, 1917,
BY AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE

PRINTED IN THE UNITED STATES OF AMERICA

INTRODUCTION

Mexico's Dilemma has *three* horns.

They are: 1. Financial ruin of Mexico and internal disorders unless a loan is obtained. 2. The possibility of subjugation to German influence with all of its liability for external strife. 3. Co-operation with the United States, England, France and America.

What will Mexico do?

The answer is one which future events will determine. In this book the author has tried to tell what forces and influences are sharpening each of the three horns. There are bandits, disloyal Mexicans, ambitious officials, patriotic citizens, honest business men, Teutonic intriguers, spies, propagandists, diplomats, millionaires, army officers and I. W. W. firebrands at work. Is it any wonder, then, that Mexico finds herself in such a Dilemma?

Mexico has always been a home and workshop for foreigners. Several thousand years ago the Chinese settled in that country and, judging from the relics which are found to-day, in and about Mexico City, Chinese civilisation flourished there for a few hundred years. Terra cotta relics are found showing an unmistakable Mongolian type

... years ago the ...
and Mexico passed through a pe
which ended with the execution
Emperor Maximilian. And to-d
is preserved the rifle which was
ecution, preserved even by the R
revolutions.

A few decades ago English, Fre
can capitalists went to Mexico
wonderfully rich resources, and
President Porfirio Diaz became
nationally respected nation.

The revolution which overthre
thousands of these foreigners fro
and the immigration of Germans
which had started earlier, increase
the Teuton strength is so great
politics is interwoven with Ger
Where a few years ago *The Mexic*
English language newspaper, had
tion and commanded the respect a
all foreigners, there is to-day a *De*
von Mexico.

citizens there cannot be attacked and their honesty cannot be questioned, but, as is the case in the United States and in all countries where the German Government intriguers have worked, all Germans in Mexico are bearing the burdens of a corrupt, dishonest, deceitful government in Berlin. Most of the things which the Germans are doing there, both against the United States and against Mexico itself, are done at the direction of Berlin. Who would have expected Mexico to think of invading the United States to "get back" American territory until it was suggested to the German Minister in Mexico City by Dr. Alfred Zimmermann, former Secretary of State? What honest, intelligent Mexican favours war with the United States when there is nothing to gain for Mexico except flattery from Berlin? What capable Mexican business man, or government official, favours labour riots at Tampico to cut off the oil supply which is bringing millions of dollars to the Mexican Treasury? What is there for Mexico to gain if the oil wells and mines are destroyed? Mexico loses by such things and Berlin gains.

When I returned from Germany to America in March, 1917, I found so many people asking what the Germans were doing in Mexico that I proposed to the Editor of *The Saturday Evening Post* that I go to that country for the purpose of making an investigation. It seemed to me that public opinion in the United States was divided;

that some people thought the German activity in Mexico was no greater than, if as great as, that in the United States, while others believed it much more portentous.

In July, having my two passports in order, as both an American and a Mexican passport were needed, I left New York City for San Antonio, Texas, where I met and talked with a large number of Mexicans, including Mr. Sam Belden, the attorney for the Mexican Consul; Señor don Manuel Amaya, Official Introducer of Ambassadors in President Carranza's cabinet; General Salinas and a Mexican physician from Monterey. I remained at San Antonio until Ambassador Henry Prather Fletcher and Mrs. Fletcher arrived en route to Mexico City. Upon the invitation of Señor Amaya I travelled on the special train which took Mr. Fletcher to the Mexican capital.

I crossed the International Bridge with the official party and drove through the dusty streets of Nuevo Laredo to the railway siding where the train was waiting. That evening, after considerable delay—bandits had destroyed a bridge just outside the city—reached Monterey, in company with Mr. Randolph Robertson, Acting Consul-General for the United States, and several Mexicans, including a Captain attached to the National Palace.

The next day the train stopped at San Luis Potosi. Ambassador and Mrs. Fletcher were en-

tertained by General Barragan, the Governor of the state, and his staff. At the banquet I sat beside Señor Montezuma, a direct descendant of the famous Indian chief. From San Luis Potosi to Mexico City we passed through a beautiful stretch of country under armed escort.

In Mexico City I met members of the cabinet, Mexican Generals, members of the Chamber of Deputies, American and English business men, bankers, newspapermen and others. I employed a young Mexican student from the University of Texas as an interpreter, journeyed about the city and the suburbs, and studied, in every way possible for me, the social and political conditions in the capital of the Republic.

Before I left the United States I had encountered two classes of citizens, those who had faith in the possibilities for good of the Carranza Government and those who violently opposed this government. In Mexico I found quite the same situation. Not only were the foreigners divided in opinion but the Mexicans themselves, though here those opposing the government were not as pronounced in the expression of their judgment for fear of Article 33 in the Mexican Constitution. This article reads:

"Foreigners are those who do not possess the qualifications prescribed in Article 30. They shall be entitled to the rights granted by Chapter I, Title I of the present constitution; *but the ex-*

ecutive shall have the exclusive right to expel from the Republic forthwith and without judicial process, any foreigner whose presence he may deem inexpedient.

"No foreigner shall meddle in any way whatsoever in the political affairs of the country."

From this section developed the phrase "to be Thirty-threed," meaning to be exiled without trial or hearing, from Mexico.

From Monterey I travelled to Tampico on the regular morning train which was crowded with Mexicans, Indians and Germans long before the hour of departure. Most of the Germans left at towns along the line, but a few continued to the great oil port.

In Tampico I had the assistance and the same cordial co-operation from the Americans, especially the representatives of the oil companies, that I had had in Mexico City. As I look back now upon my contact with the Americans in Mexico they appear to me to be, with only one exception that I can recall, all active, energetic business men, who, far from being in that country to "rob" it are there working and striving for the same things that business men, bankers, clerks and labourers honestly strive for in the United States.

Early one September morning I boarded a large oil tanker in Tampico harbour, crossed the Gulf of Mexico to Sabine Pass, Texas, when that great body of water was as quiet and smooth as a small

lake. Arriving in Texas, and looking back upon my experiences in Mexico, I felt that I had had an opportunity of studying conditions at first hand, not, indeed, as they were during the revolution, but as they were then. Nothing, though, that I know of changes like Mexico. What one day is the situation the next day may not exist at all.

In the first article which I wrote for *The Saturday Evening Post* I spoke of the two policies which faced Mexico: either Mexico could join the United States and the Allies, at least to the extent of breaking diplomatic relations with Berlin, or Mexico might stay out of this league of nations and by so doing give the German propagandists further opportunity of creating hatred, suspicion and fear between Mexico and the United States. In case of the latter event, should it continue long enough, no one can be sure that Mexico, under German influence, may not some day be an enemy of the United States.

That is what I wrote in July, 1917. By mid-November, the former *Associated Press* correspondent in Mexico City had reached New York. A letter from Mexico stated that he was exiled because he wrote a series of articles for the "A. P.," telling of the campaign which the Germans were conducting, in co-operation with the bandit leaders, to prevent the Carranza government from breaking with Berlin. The letter, which I received, said the correspondent, whom I had met while I was there, was tapped on the

shoulder one night by a secret service agent and told to leave the next morning for the United States.

So it is in Mexico. Zimmermann is not alone in his intrigues.

With the sincere hope that this book will *help* Americans to understand Mexico as it is I submit it to the reading public. Everything, including future peace between the two nations, Mexico and the United States, and their mutual prosperity, depends upon our having a full understanding of the situation. This book does not pretend to contain all there is to be known about Mexico to-day but the author believes it to present a true account of conditions and politics in Mexico at the time of its writing.

I have employed in this book the major portion of five articles written for *The Saturday Evening Post* to which I have added considerable new material. I am indebted to so many Americans and Mexicans for assistance and information, some whose names might be mentioned, others whose names cannot be given, that I welcome this opportunity to thank them all.

C. W. A.

CONTENTS

		PAGE
INTRODUCTION		v
THE ZIMMERMANN NOTE		xviii
CHAPTER		
I.	A BIRD'S-EYE VIEW	19
II.	THE MEXICAN PUZZLE	24
III.	REBELS AND REVOLUTIONS	48
IV.	GERMANY'S ALLY AT TAMPICO	68
V.	THE LAST SPY OFFENSIVE	98
VI.	RISING OR SETTING SUN IN MEXICO	117
VII.	THE FUTURE	136
APPENDIX		141
A.	FINANCIAL BILLS	143
B.	THE NEW MEXICAN CONSTITUTION	153
C.	MEXICAN RAILWAYS	264
D.	THE AMERICAN CHAMBER OF COMMERCE	273
E.	THE LAST MEXICAN ELECTION	279

ILLUSTRATIONS

A Mexican Cartoonist's View of Señor Cabrera *Frontispiece*

PAGE

Mexican Villagers Who Turned Out to See Señor Fletcher 28

Ambassador Fletcher's Military Escort . . 28

Cover for the German Newspaper of Mexico 36

This Was at One Time a Beautiful Residence 52

The Famous "Saddle Mountain" of Monterey 52

The U. S. Warships at Anchor in Tampico Harbor 70

An Oil Gusher at Tampico 70

The Gusher of the Cerro Azul Oil Well—600 Feet High 80

Another View of Germany's Leaders . . .100

Cover Cartoon of Ambassador Fletcher . . 112

Terra Cotta Heads Found by Prof. Niven . . 122

An Aztec Family Tree 122

Professor William Niven 132

List of the Presidents of Mexico, Gen. Porfirio Diaz to Lic. Francisco Garbajal 162

List of Presidents of Mexico, Eulalio Gutierrez to C. Venustiano Carranza 178

The Ruined Railway Depot and Freight Cars at Monterey 266

A Typical Mexican Railway Train 266

MEXICO'S DILEMMA

THE ZIMMERMANN NOTE

BERLIN, JANUARY 19, 1917.

TO HIS EXCELLENCY, THE IMPERIAL
GERMAN MINISTER TO MEXICO.

On the first of February we intend to begin unrestricted submarine warfare. In spite of this, it is our intention to endeavour to keep the United States of America neutral.

If this attempt is not successful, we propose an alliance on the following basis with Mexico: That we shall make war together and together make peace. We shall give general financial support, and it is understood that Mexico is to reconquer the lost territory in New Mexico, Texas and Arizona. The details are left to you for settlement.

You are instructed to inform the President of Mexico of the above in the greatest confidence as soon as it is certain that there will be an outbreak of war with the United States, and suggest that the President of Mexico, on his own initiative, should communicate with Japan suggesting adherence at once to this plan. At the same time offer to mediate between Germany and Japan.

Please call to the attention of the President of Mexico that the employment of ruthless submarine warfare now promises to compel England to make peace within a few months.

ZIMMERMANN.

MEXICO'S DILEMMA

CHAPTER I

A BIRD'S-EYE VIEW

PRESIDENT LINCOLN'S words on Mexico, sent in the form of instructions to the United States Minister in Mexico City, true as they must have been more than fifty years ago, are just as true to-day. "For a few years past the condition of Mexico has been so unsettled as to raise the question on both sides of the Atlantic whether the time has not come when some foreign power ought, in the general interest of society, to intervene, to establish a protectorate or some other form of government in that country and guarantee its continuance there," wrote the President. He continued:

"You will not fail to assure the Government of Mexico that the President neither has, nor can ever have, any sympathy with such designs, in whatever quarter they may arise or whatever character they may take on. . . .

"The President never for a moment doubts that

the republican system is to pass safely through all ordeals and prove a permanent success in our own country, and so to be recommended to adoption by all other nations.

"But he thinks, also, that the system everywhere has to make its way painfully through difficulties and embarrassments which result from the action of antagonistical elements which are a legacy of former times and very different institutions.

"The President is hopeful of the ultimate triumph of this system over all obstacles, as well in regard to Mexico as in regard to every other American State; but he feels that those States are nevertheless justly entitled to a greater forbearance and more generous sympathies from the Government and people of the United States than they are likely to receive in any other quarter. . . .

"The President trusts that your mission, manifesting these sentiments, will reassure the Government of Mexico of his best disposition to favour their commerce and their internal improvements.

"I find the archives here full of complaints against the Mexican Government for violation of contracts and spoliation and cruelties practiced against American citizens. It is not the President's intention to send forward such claims at the present moment. He willingly defers the performance of a duty, which at any time would

seem ungracious, until the incoming administration in Mexico shall have had time, if possible, to cement its authority."

How many Americans there are to-day who feel as apprehensive as did President Lincoln! How many Americans ask to-day whether the United States may not have to intervene in Mexico, after all, to help establish peace and order!

In his International Law Digest, Professor John Bassett Moore, former Counsellor of the State Department in Washington, writes:

"On November 28, 1876, General Porfirio Diaz issued a proclamation announcing himself provisional president of the Republic of Mexico, under the Plan of Tuxtepec. On January 19, 1877, intelligence having been received at Washington of the defeat of the forces of the rival claimants Secretary of State Fish suggested that if this should be confirmed by similar tidings received at the City of Mexico, General Diaz 'would have no important adversary in arms and might be regarded as the actual ruler of the country.' The question of recognising his government was under the circumstances left to the discretion of the American Minister. In view, however, of the unsettled state of affairs in Mexico, and especially of the existence of controversies between the two countries growing out of troubles on the Rio Grande frontier, it was afterwards determined

that the Government of the United States, although it was 'accustomed to accept and recognise the results of a popular choice in Mexico,' would in this particular instance 'wait before recognising President Diaz as President of Mexico until it shall be assured that his election is approved by the Mexican people, and that his administration is possessed of stability to endure and of disposition to comply with the rules of international comity and the obligations of treaties.' The Diaz Government was officially recognised by Germany May 30, 1877, by Salvador and Guatemala June 7, by Spain June 16 and soon afterwards similar action was taken by Italy. These were all the powers then represented in Mexico, except the United States. In his annual message of December 3, 1877, President Hayes stated that it had been 'the custom of the United States when such (revolutionary) changes of government have heretofore occurred in Mexico, to recognise and enter into official relations with the *de facto* government as soon as it shall appear to have the approval of the Mexican people and should manifest a disposition to adhere to the obligations of treaties and international friendship,' but that 'in the present case such official recognition had been deferred by the occurrences on the Rio Grande border.'

"Official recognition was given in May, 1878, when a formal reception was tendered to a new minister from Mexico and the President formally

replied to the letter of General Diaz announcing the recall of the provisional representative."

The events which followed the recognition of President Diaz are familiar enough. The story of events from 1910, from the overthrow of Diaz to the recognition of the *de facto* government of President Carranza, has been told in many versions. The past I shall leave to the reader's judgment. My concern is with the present.

CHAPTER II

THE MEXICAN PUZZLE

TROUBLE and revolutions are two things which can be started without money. It doesn't require money to start a street fight nor does it require gold to upset a nation.

This is not more true of any place than of Mexico. The seven years of strife which the people south of the Rio Grande have had are not due to a fat treasury. But Mexico has reached the place now where it knows that money is necessary to end a revolution.

More than a century ago when France was experiencing the internal disorders which infest Mexico a revolutionist remarked that "Revolutions are not made with rosewater." To-day the Mexicans will tell you that the evils of a revolution are not washed away with perfume, either. This requires money.

Early in the summer of 1917 the Mexican Government invited Mr. Henry Breure, former City Chamberlain of New York, and two expert accountants, including Mr. Thomas W. Lill, who spent nine years helping to reorganise the Philippine Government, to establish business methods in

the governmental departments. One day in July the American commission went to Guadalajara, the centre of the ranch section, with an official escort of Mexicans. After dinner one evening an American asked a representative of the Carranza Government what the revolution *had* accomplished for the Mexican people. The officer explained what he thought the results of the revolution *would* be, but the American pressed him for an answer to his original question. Reluctantly the officer admitted that, so far, nothing had been accomplished.

Mexico has reached the crossroad in the path of the revolution. Since 1910 she has had nothing but trouble and although it was not begun with money it has cost the government and the people millions of dollars in gold and property, thousands of lives and the loss of her international prestige which cannot be measured in pesos. To-day most of the fighting is at an end. There are bandits in some sections of the Republic, but their raids are becoming fewer each month. Mexico City, itself, is as busy and active as New York, but there is a financial crisis, which, although not evident upon the surface of things, is destined to mark the climax of the revolution.

I arrived in Mexico in July to look at the political, economic, social and revolutionary puzzle from the inside. I saw many phases of it in Monterey, San Luis Potosi and Mexico City, this puzzle which is still puzzling Mexico. I have been

told that not even President Carranza knows how it will be solved, although at least two solutions are possible.

When I crossed the international bridge at Laredo, Texas, and sauntered through the streets of Nuevo Laredo, a midget donkey, carrying a long-legged peon, trekked around the corner of the telegraph office. The Mexican had to hold up his feet to keep from dragging them in the dust. The beast was so small, and the man so tall, that head down it might have walked between his legs. Jostling behind the pair was a small "express" wagon such as American boys play with. It was loaded with grass, sufficient for about one meal for a hungry donkey. A string which the peon held was tied to the wagon tongue. And the beast was thus, presumably, hauling its load and food to the hovel which was their home.

I described this incongruous sight to an American who was en route to Mexico with me, whereupon he remarked:

"How typical of Mexico to-day—the old Biblical ass, the American toy and the lazy peon. Since the revolution all the progress Mexico made under Diaz has disappeared. Mexico to-day is stagnant."

A few minutes later, however, I went through the Nuevo Laredo freight depot with Mr. Randolph Robertson, U. S. Vice Consul at Monterey. Automobiles, food, machinery, household goods and thousands of different manufactured articles

from the United States were packed within its four walls awaiting transportation to various parts of Mexico. More than two hundred Mexicans were busy loading the freight cars on the siding. In Laredo, Texas, according to American officials, there are 250 freight cars loaded with goods for Mexico awaiting shipping facilities.

In Monterey during April, May and June the American consulate records show that the imports and exports of that district were greater than at any time in the history of Mexico.

According to the evidence in Nuevo Laredo and Monterey, Mexico is not only not standing still but is making vigorous business strides forward.

There are three ways of looking at Mexico. One is to view the past with all its rape, murder, robbery and banditry; its destruction and misery. The second way is to observe the present with its grave problems, its ignorance and hatred. The third way is to peer into the future with its unlimited possibilities for ruin or success. I was not in Mexico during its Reign of Terror, but I saw some of the results—the razed cities, the destroyed railroads and foreign property, the poverty and evidences of atrocities. I went to Mexico to report the present and to narrate in a broad way what may be expected in the future. It is the to-day of Mexico which will determine the to-morrow, and it is the to-morrow of Mexico which will decide whether Mexico is to be ruled by Mexicans or whether the United States must intervene

to establish order and protect the business interests of her citizens and those of her Allies.

I went to Mexico on the Honeymoon Special which took Ambassador Henry Prather Fletcher and his bride to the ancient capital of the Aztecs. From the sandy banks of the muddy Rio Grande to the rainy plateau of Central Mexico Mr. Fletcher travelled like a conquering hero. In the receptions which were accorded him, if they were not as resplendent as similar functions in the United States, there was evident a good-will and there was present more enthusiasm than had been shown any Americans since the days of Diaz. Mr. Fletcher's return was triumphant despite the fact that the military salutes were crude and the music even cruder. When the Ambassador crossed the international bridge a Mexican cannon, hidden in the bushes of Nuevo Laredo, saluted, but there was a long time between shots. As the official representative of the United States he should have received nineteen salutations instead of five, but the ambassador was so busy exchanging greetings he did not notice this until I asked him whether the embargo had been raised on ammunition for saluting purposes. It seems that because of the famous Tampico incident the Mexicans are not permitted to have fireworks.

Although the first band which greeted the envoy played the "Star-Spangled Banner," the others confined their music to Mexican pieces until the train reached Querétaro. Then during an effer-

MEXICAN VILLAGERS WHO TURNED OUT TO SEE SENOR FLETCHER

AMBASSADOR FLETCHER'S MILITARY ESCORT

vescence of enthusiasm, when the ambassador was being hugged by an unusually large number of Mexican officials, the band played the Hesitation Waltz.

One travels through Mexico to-day with an "exploradoro." Bandits are still operating along the railroad lines and it is not safe to be without "protection." The "exploradoro," which preceded the Honeymoon Special, was made up of two armoured cars filled with soldiers. In two day coaches on the Special itself were two groups of soldiers. One car contained the soldiers travelling with their families, in the other were men in uniform. On the back platform of the private car, which President Carranza used when he was First Chief of the Constitutionalists, stood three soldiers armed with heavy Mexican rifles. One day when the train was nearing Mexico City an American asked a member of President Carranza's staff about the Mexican rifles. The Captain replied they were "very good" except that they were "easily overheated." Then, adding that each gun was loaded with a minimum of ten rounds, he lifted one of the weapons to exhibit the ammunition. The rifle was empty! He examined the second. It was just as harmless, and when the third was opened the situation became embarrassing. The guard on the rear platform was without ammunition. The guard could not be condemned because the Carranza Government has needed the sinews of war and Mr. Fletcher

was just returning from Washington after having persuaded President Wilson that the embargo should be raised.

The bandits, however, which the ambassador saw on the return to his post, were perfectly harmless and the "exploradoro" and "armed" soldiers were not needed. At various points along the line one sees bandits hanging from telegraph poles and trees, swaying in the wind like pendulums. The men who tied these fellows up did a good job of it. They will not drop until they decay, when the wolves will take charge.

From the Texas border to Monterey one sees nothing but sand, cactus plants and dust. Along the route there are "specks" where once stood villages, villages which passed away during some stage of the revolution. The depots and homes are destroyed. The people, who remained, are like animals. They live in the ruins or under the blue sky, day and night. They are clothed in garments which after hard wear would have been discarded five years ago by almost any one else. Many children run with only a rag round their waists. The women and men alike are barefooted, or, perhaps to protect tender feet, some still have the sole of a shoe which is tied to each foot with strings. Almost all live by selling food to the travellers who must go this way to Monterey and Mexico City. Eggs, cheese, pancakes, water, milk, coffee, beans—the national dish—and whatnot, are peddled at so many centavos apiece. Here is

poverty without misery. These people are happy and contented. They have never seen any other living. They have no schools. There are no churches. Civilisation to them is a railroad train. Business is a railroad train. Life is but the hours between trains.

As I stood on the siding at Querétaro one day gazing at this awful aspect of life, a young Mexican, who had been educated in the United States, remarked to me:

"You know, if these people could go to the states for a few years they would come back different people. They don't know any better. They have had no opportunity."

While the engine was taking water at Querétaro and I sauntered about the train I met an old American railroader who had been working on Mexican railways twenty years. Four thousand dollars, his life savings, which he had invested in a hotel in a town near there, disappeared one night in a fire when the bandits came to burn and plunder.

"These bandits," said he, "will never stop until there is food enough for all the people. There would be no bandits if there was work for the men and food for their families. You know what the Mexicans say around here. Oh, I know them and they don't know I'm an American or my life would not be worth that"—and he snapped his fingers. "But I make good money and I travel up and down these lines. You know these people say

that all the food in Mexico has to be sent to the United States to feed the soldiers and that if the United States had not gone to war there would be plenty of food in Mexico."

While we were standing in the sun's rays, an old crippled woman with her blind daughter came up begging for money.

"Don't give that old hag anything," said my companion. "You know, she gouged the eyes out of that kid so she could get more money begging. Yes, sir. That's what she did. Blinded that little girl of hers."

Then cursing in Spanish he kicked the sand with his foot and forced her to wabble away. I marvelled at the flood of his words. It must require twenty years' residence to be able to curse in Spanish and do it properly. I had had a book called "Spanish in a Week" for more than a month and about all I could do was to buy a cigar and order eggs and bacon.

After fifty-six hours of travel and delay, the Honeymoon Special reached Mexico City.

The city to-day is surprisingly peaceful and busy. Hundreds of automobiles and carriages race through the streets—there appear to be no speed laws in force and Mexicans drive their cars with the same enthusiasm that a child plays with a new toy. The avenues Cinco de Mayo (the Fifth of May), Francisco I. Madero and Avenida Juarez are as busy as Broadway or State Street, though the people look more like those along the

Bowery and Halsted Street. Poor and peon, middle class and foreigner, rub elbows on the sidewalks as newsboys run through the streets with extras.

But what incongruous sights one sees! I rode out the Paseo de la Reforma, the Riverside Drive of Mexico City, to see the palatial homes of the Cientificos, those great houses where the old followers of Diaz lived like monarchs. In the parkways along the sides of the street nurse girls were wheeling the babies of the wealthy. On this thoroughfare there were no signs of poverty, although the street pavement itself was a motly compound of holes and pavement and the carriage bumped and jostled from curb to curb. A little later I walked up Avenida Juarez where beggars seem to crawl out of every doorway. Not far from the Spanish Embassy, a big palatial structure, I paused at the barracks of the second infantry regiment to listen to the band and to watch the soldiers saunter here and there with nothing to do but "kill time," smoke cigarettes and talk to their wives and children who are as numerous as the soldiers themselves. On the curb, in front, sat a big, fat Mexican woman smoking a brown cigarette. A baby, just able to walk, stood in the street before her, sucking at its mother's breast and punching it with its bony fists in an effort to extract the morning breakfast. A soldier handed the woman a cake. She tied this in a soiled handkerchief where she carried her money and other

valuables and continued to puff at the cigarette.

In front of the National Palace two companies of soldiers in impossible field uniforms, some barefooted, and all dirty, paraded behind a military band.

People crowd into the shops. There is so much business shop-keepers are as independent as an American firm without competition. On the side streets some policemen or boy-scouts are drilling and receiving instructions from officers.

Aside from the newspapers and the posters in the windows one would not suspect that there is a war in Europe.

From the shop windows one learns that there is a great war in progress, and one learns it from the Germans. In many windows are large maps of Europe showing Germany and the Central Powers in red and the Allies in black. The neutrals are "yellow." The map is labelled: "The Defensive War of the Central Powers." It is a clever bit of German propaganda. Although only about two out of every ten Mexicans can read and write, all can understand pictures. This map, even without a heading, tells a story which the Mexicans can comprehend.

Another cartoon pictures a bull fight. All bulls representing the Allies are defeated and the German bull defiantly gazes at Uncle Sam, who is standing at the edge of the ring. A man representing Mexico is standing beside Uncle Sam and urging him not to get into the ring.

In several jewelry shops I saw placards, or what were supposed to be photographs of "wild men from Australia," and the label underneath said: "These wild men of Australia are fighting for England for the civilisation of Europe."

There are more Japanese shops in Mexico City than I had expected to find. Although there are three or four in the business district, the big majority are in the suburbs. In offices throughout the city one sees hundreds of Japanese posters, advertising Nipponese goods. In the only foundry in Mexico City which is making war munitions is a big, modern Japanese factory, recently imported from Japan. When the present government found it impossible to obtain war supplies from the United States, a Japanese commission was invited to Mexico and this plant was erected by the Far Easterners. The large wireless tower near Chapultepec Park I saw being repaired. A Mexican officer told me when it was finished it would be powerful enough to communicate with Japan. Although American observers have heard this, they consider it improbable.

Six months before I arrived in Mexico the present government was exceedingly suspicious of Americans and especially of the United States Government. When an American during my stay there called upon a high government official and discussed the question of a loan this official remarked:

"The American people and the Mexican peo-

ple are all right, but the governments are all crooked."

To a great extent Ambassador Fletcher, who speaks Spanish and knows the characteristics of Latin peoples, has been able to re-establish confidence in many circles, but his task is by no means completed. There is a strong anti-American sentiment in Mexico which is being augmented by the pro-German propaganda. One morning I was told in several places that the Allies were about to be defeated and that Russia was to join with Austria-Hungary and Japan against England, France and the United States. Every time I passed the big German book store in Mexico City, where German photographs and maps are displayed, the sidewalks were crowded with people. In one window hung the same map of Europe which one sees in many shop windows in Berlin —a gigantic chart showing the position of the armies of Germany in the occupied territories, a "proof" that Germany is winning the war.

The lack of confidence in the ability of the Allies to defeat Germany and old suspicion of the United States are the two things which hamper the leading Mexicans who are working for a closer relationship between Mexico and the Powers fighting Central Europe. Most intellectual Mexicans, as well as many government officials, realise that the best interests of Mexico are with those of the United States, France and England, but the prejudice of the people is difficult to overcome.

Deutsche Zeitung von Mexiko

EDITORES: MÖLLER HNOS.
APARTADO 36 BIS
Director: Enrique Pérez Valencia
SE ESPACHA EN EL CENTRO
LIBRERIA ALEMANA

Edición Especial

Precio de este Número
30
CENTAVOS.

AÑO XXXV | Mexico, 15 de agosto de 1917 | Número 1

COVER FOR THE GERMAN NEWSPAPER OF MEXICO

The question of what attitude Mexico should ultimately take regarding the world war is very closely connected with the Mexican puzzle to-day. This problem is:

"How can Mexico obtain money?"

The first conclusion which the American experts reached after two months' examination of the Mexican records was that the nation was bankrupt. One of the officials began the dictation of a report beginning with a statement to that effect. Then when he tried to establish his conclusion by facts, the facts failed him. So he finally concluded that if the government is reorganised along scientific business lines it will be able to weather the present storm without financial aid from a foreign country. In coming to this conclusion, however, this authority was compelled to disregard the foreign debt and foreign obligations of the Mexican Government.

The records of the present government show that President Carranza has asked Congress to authorize three loans. The first, amounting to 150,000,000 pesos, is to be used to pay debts. The second loan which Mr. Carranza seeks amounts to 50,000,000 pesos to be used to rebuild and reconstruct the railroads. The third loan, for which the authority of the National Congress is asked, is for 100,000,000 pesos to establish a "bank of issue."

Something of the financial crisis facing Mexico may be gathered from these brief figures:

In May, 1916, the estimated revenue of the Constitutionalist Government was four million pesos, about two million dollars a month. Fourteen months later the estimated revenue was 107,000,000 pesos annually, but the budget called for an expenditure of 80,000,000 pesos more than the income. The Carranza Government is operating on a cash basis now and is spending more than it is making, although government officials are being paid only seventy-five per cent of their salaries in cash. This deficit does not take into consideration any of the foreign obligations.

It is the contention of the American experts and of certain government officials that through governmental economies this deficit can be cut down so that it will not be "dangerous" and new bonds can be issued to replace bonds held in foreign countries.

The other view of the financial situation, which I found the predominant one, is that the present government cannot continue without the aid of foreign capital. This would seem to be the belief of President Carranza, too, inasmuch as he asked the federal Congress for authority to raise 300,000,000 pesos, that is, $150,000,000.

On July 7th, 1917, *El Universal* printed the following message which President Carranza sent to the Chamber of Deputies:

"To the Secretaries of the Chamber of Deputies: for its Constitutional effect: I beg to send

you with this message a bill authorising the Executive to procure in Mexico, or outside, up to 100,000,000 pesos, gold, to found the sole bank of issue authorised by the political constitution of the Republic promulgated in Querétaro February 5th, 1917.

"Surely the Deputies will be persuaded that one of the principal causes why agricultural, industrial and commercial development of the country have not proceeded with the quickness with which the re-establishment of order might lead one to suppose, is the almost complete disappearance of credit, and the insufficiency of circulating medium which makes difficult the reasonable operation of the economic activities of the Nation.

"It is for this reason that the Executive believes it of imperious necessity to proceed immediately to organise the sole bank of issue provided in the political constitution of the Republic.

"THE BANKING SYSTEM

"The banking systems established by governments in the past, although in a way, long ago, they fulfilled the necessities of the moment, were established on a basis of absolute privilege in favour of capitalists without compensation for national interests and without foresight. The issues of the banks never had reasonable and adequate guarantees; some of them enjoyed express privi-

leges in regard to the amount of their issue; all enjoyed the unjust privilege of exemption from taxes and the odious power to apply special primitive laws for their own benefit. The concessions for the establishment of banks of issue were granted without providing a logical and proper co-operation between them, but giving rise to an unreasonable competition ruinous for themselves and for the Republic. The intervention which the Government used to express in institutions of credit never was more than merely nominal, and among many other cases can be cited this: The banks of issue figured their own shares of stock among the securities that could be realised upon. As a consequence of their unreasonable management and of their bad organisation, the complete failure of the old system of institutions of credit could be foreseen when the international crisis began in 1913. In effect the first manifestations of revolution actually were enough to cause the banks to ask the government of the usurper for the privilege to suspend payments which was conceded to them, in exchange for the privilege the banks of issue made a large loan to the usurper.

"THE ECONOMIC SITUATION OF THE COUNTRY

"When the economic situation of the country became grave and before the Constitutionalist Government made any decrees at all on institutions of credit, the situation was getting more

difficult every day until these institutions ceased to properly operate and soon became merely speculators in the paper money issued by the Revolutionary Government. At the time the bills had already suffered considerable depreciation which fluctuated between 60 and 90 per cent of discount on nominal value.

"When the duties of the campaign permitted the Government of the Revolution to fix its attention on the financial organisation of the Republic a preliminary decree was issued fixing a period within which the banks of issue must regulate their fiduciary circulation in accordance with the general principles of the law of institutions of credit. As this decree was issued in Vera Cruz, where the necessary estimates for knowing the economic situation of each one of the banks in detail was lacking, it was believed at the beginning that many of them would be in condition to continue their operations on complying with the general banking law.

"When the Department of Finance came into possession of the balance sheets of the majority of the banks of issue it was seen that although their reserves were in conformity with laws in question in relation to their fiduciary circulation, the banks were not in condition to continue operation because a great part of their assets which went into large nominal figures in fact represented an insignificant real value.

"As, on the other hand, the majority of the

banks of issue had assumed an attitude of open hostility against the Government of the Revolution contributing to the depreciation of the government paper money and were conducting themselves in a manner against public interests through speculations outside of their sphere of action, the First Chief believed proper to make more radical decrees to put an end at once to the defective banking systems then expiring and to leave the field open to a better organisation.

"Therefore on the 15th of September last year a decree was issued repealing all laws in force until that date on institutions of credit and putting the banks of issue under the direction of Boards of Receivers which have been operating them up to date.

"THE SOLE BANK OF ISSUE

"The Constituent Congress which met in Querétaro was perfectly aware of the need of substituting the defective banking system by another more reasonable and in consonance with the economic needs of the nation; with the result that the new Magna Charta provided for the establishment of a sole bank of issue.

"The Department of Finance has been studying since then the bill which in due time the Executive will submit to Congress on the organisation of the sole bank of issue; but as arrangements to obtain new capital must consume much time, the

Executive believes it proper to use the time to delay as little as may be the organisation of the new institution of credit.

"PERFECTLY DEFINITE BASES

"Elemental prudence dictates that the new bank of issue should begin its operation on perfectly safe bases because it is the only manner in which confidence and credit may return in healthy and vigorous form to renew the economic life of the Republic.

"If the Executive under my charge does not immediately send to Congress concrete bases to obtain the initial capital of the new bank, but asks authorisation to negotiate with capitalists, it is due to the fact that in the present financial condition throughout the world, it is not easy to foresee the difficulties the Government may encounter to induce capitalists to make an investment which, although safe, will probably meet with a barrier of prejudice and lack of confidence.

"DEFINITE PLAN OF ORGANISATION

"It is therefore necessary for the Executive to determine in advance the possibility of obtaining necessary funds for its establishment before submitting to the Congress a definite plan for the organisation of the new bank. To carry the temporary arrangements through the Executive needs

complete liberty of action, for even the determination of the opinion of capitalists and preliminary arrangements may cause the early organising of the new institution of credit to be changed. In any case, the Executive will have the honour to submit to the consideration of Congress before carrying into effect the arrangements made with capitalists together with the general law which fixes the bases for the bank of issue. Mexico, July 6th, 1917."

Commenting upon this message *El Universal* said, editorially:

"This was the only newspaper which upheld the urgent propriety of creating a large stock of circulating money for business and the commercial and agricultural development of the country. The foregoing message confirms the labour of *El Universal,* in all its parts. Furthermore, and this is the opportune time to say so, the sum asked for by the government appears small to us, for we believe it very difficult to obtain any money from foreign countries without the previous payment of the coupons of our debt, and if this were necessary, the amount destined for the sole bank of issue would come out much less, and we believe that if any foreign loan must be agreed upon, we should strive resolutely to procure up to the sum necessary to improve our credit in foreign countries and to solve economic difficulties in the interior."

In case the Mexican Congress authorises Mr. Carranza to raise this amount there are but two sources from which it might come. Either American bankers will take the bonds and sell them or the United States Government will loan money to the southern neighbour.

New York bankers will not loan money to Mexico as long as conditions are unsettled and as long as there is danger to American property and American citizens in Mexico. These bankers will not subscribe to a loan as long as they hold old Mexican bonds which have had no interest paid on them in six years and which are selling for fifteen dollars each in the United States to-day. This has been candidly explained to the Mexican authorities.

On the other hand, the United States Government cannot loan money to Mexico because this is forbidden by the constitution unless Congress passes a special act, and it is certain that neither the administration will recommend such a loan, nor that Congress would pass such an act. By the terms of the act which enables the United States to loan money to foreign governments during the war it is particularly stipulated that funds can be loaned only to Allies. This, too, has been explained to the Mexican Government.

The easiest way and perhaps the most successful way out of the present financial difficulties in Mexico would be for that country to break off diplomatic relations with Germany and join the

international league of nations, which will follow this war, to establish the peace of the world.

Should the Carranza Government fall there are on the horizon to-day no leaders, nor is there a group of men, who could take hold and do as well as the Carranza Government is doing. There are rebel leaders in various parts of the country from Villa in the north to Zapata in the mountains near Mexico City and General Pelaez in the oilfields outside of Tampico. Once this government falls, terror will reign again in all parts of the country, and as the United States and the Allies are almost wholly dependent upon Mexico for oil and various minerals, a state of anarchy in Mexico which would interfere with the Allies' supply of these valuable war necessities could not be permitted. If the revolution should break out again the only solution would be American intervention, which would be not only costly to us but would divert to a certain degree the energy of the United States which it is so necessary to concentrate upon the war in Europe.

No one knows this better than the Germans in Mexico, and although they are "playing" the present government they are also preparing for the time when there may be trouble in Mexico injurious to the United States. At present they want to keep Mexico neutral.

The Carranza Government has been told officially that so far as the United States Government is concerned it is not in America's interest for

Mexico to declare herself an Ally, but entirely in the interests of Mexico. Whether President Carranza and his government will realise this, and whether, even if they do, they will be able to carry through a break with Berlin, are unanswerable questions. One must await developments.

"Will Mexico be a friend or a foe of the United States?" That is to-day an insoluble puzzle.

NOTE: In Appendix A will be found the bills presented to the Chamber of Deputies regarding the remedies for the financial crisis as they were printed in *El Universal*.

CHAPTER III

REBELS AND REVOLUTIONS

NEEDLE your way through the crowded streets of Mexico City or motor to the suburbs and you will rub sleeves, exchange glances with, or pass along the road, rebels, ex-rebels and honest soldiers. Saunter or drive about the capital and you will see, face to face, the individuals who present the biggest problem of reconstruction in Mexico. You will encounter a sufficient number of the army of 114,000 to convince you that even if the payrolls are padded there are large groups of men actually drawing salaries.

In mid-August, 1917, a cousin of General Zapata, the bandit chief of the state of Morelos where the sugar plantations are, surrendered with "two thousand men" to the national government. Those who wished to join the army of the Republic were permitted to do so. The week before these men were bandits. Within seven days they became soldiers.

Not all of the peons who join the national army are patriotic, a fact which causes considerable trouble in the country districts. Sometimes, after

the ex-rebels have been with the government forces long enough to get new rifles and several rounds of ammunition, they trek to the mountains to be welcomed by their old chief with a handshake and an enthusiastic hug, the customary cordial greeting between Mexican friends.

One day while I was in Mexico City several officials of the British Embassy were motoring through one of the suburbs. Approaching a garrison they saw a soldier, sitting on the curb, smoking a cigarette. As they passed he shouted: "Stop," and other words which were so mumbled they could not be understood.

The automobile, which had passed the man, backed to within a few feet of him and the chauffeur asked what was wanted. Instead of answering, the soldier, who was evidently intoxicated, continued to puff, and gazed at the foreigners. After waiting several minutes and receiving no explanation the automobile advanced. Immediately the soldier jumped up, recovered his balance, and started towards the barracks for his rifle. The Englishmen huddled into their seats, the chauffeur added gasoline, and before the rebel could fire the party was several hundred yards away.

There being no other route to the city the foreigners had to return the same way three hours later. Reaching the garrison they saw both sides of the highway lined by a company of soldiers. A captain, standing in the middle of the road, held

up his hand. The car stopped and the soldiers stood at attention.

"Is this the automobile which was ordered to stop a few hours ago while passing here?" the officer asked.

The British officials expected a summary execution, but, having experienced excitement before, decided to preserve their calm.

"Yes, Señor Captain," replied an Englishman, "we were ordered to stop and we did. . . ."

His explanation was interrupted.

"All right, Señor," politely answered the officer. "I wish to inform you that discipline has been maintained. You may go, gentlemen."

Soldiers still at attention, the automobile departed, but the foreigners could not understand whether they or the soldier had been disciplined. Inquiries the next day disclosed that the soldier had been shot for giving an order without orders from an officer. Discipline was maintained by execution.

It is not always the soldiers, however, who are to be blamed. I met the manager of a large American corporation who, for two years, had been paying tribute to six generals. Their price for "protecting" his property had been between three thousand and seven thousand pesos, at intervals determined by officers. Automobiles were then being shipped into Mexico City by the dozens and the generals asked this manager for six autos. This manager telegraphed to Detroit for the cars

and expected to be able to pay the graft within a very short time. A new use, indeed, for motor-cars, but the manager and the company were satisfied because the cars cost, delivered in Mexico City, about one-fourth of the amount of the "protection" formerly rendered.

Friends of President Carranza will candidly admit that the First Chief, when he was fighting for recognition and authority, had to accept the services of many undesirable men, both officers and soldiers. Mr. Carranza and his intimate advisors know that there are rebels and grafters in office to-day. They realise that these men cannot be ousted immediately and without cause. If the present government were to expell from the army, or imprison every officer and soldier who to-day is not following orders, the government would be overthrown even if the penitentiaries could hold all the guilty. For this reason Mr. Carranza is working slowly and quietly to eliminate these men from his councils and from responsible positions. Whether he will succeed is a puzzle the key to which has not been found. There are Mexicans and foreigners who will tell you that the Carranza Government is as certain to fall as the buildings in Mexico City are certain to sink; and this latter fact no one doubts, as even the National Theatre, the so-called "White Elephant" because its marble walls are uncompleted, is gradually sinking in the mire upon which the capital is built. Others will inform you that this government is gaining

strength every day and that if it receives financial assistance nothing will be able to wreck it. But all, pessimists and optimists alike, agree that the greatest problems facing the government to-day, excepting the financial, are the problem of reconstruction and the existence of the rebels.

Finance is, of course, the greatest problem, and it is the more puzzling because the problems of financing a nation like Mexico are not similar to the problems of financing more civilised and enlightened countries. Selfishness and ignorance play an even greater rôle in Mexico than pork-barrel politics play in Washington!

One day I recall when the Chamber of Deputies was in session a member called the attention of the presiding officer to the lack of a quorum. Those who have seen how well the U. S. House of Representatives is attended during most of the debates will understand such a situation.

The President of the Deputies summoned the Sergeant-at-Arms and ordered him to send the members to their seats. Meanwhile the proceedings waited the arrival of the deputies. After a long interval the Sergeant returned, reporting that he was unable to procure a quorum.

"Where are the members?" inquired the President.

"They are at the Cashier's window awaiting their pay," answered the officer.

"Summon the cashier," ordered the President, and when the latter reached the rostrum he was

THIS WAS AT ONE TIME A BEAUTIFUL RESIDENCE.
THIS IS THE REVOLUTIONARY REMAINS

THE FAMOUS "SADDLE MOUNTAIN" OF MONTEREY

told to close the pay window and not to open it again during sessions of the Deputies.

And a quorum was soon present.

That incident illustrates one aspect of the money problem in Mexico. An incident illustrating another aspect came to my attention during a conference with a Canadian electrical engineer. The company he represented desired to erect poles to carry their feed wires from a plant near the capital to another city. The line, as mapped, was to cross a large plantation owned by Indians. The concession was worth between five thousand and eight thousand pesos to the company. The engineer went to see the Indian. He offered him four thousand pesos.

"No, no, Señor," protested the Indian.

"Why not?" asked the foreigner.

"No. No four thousand, Señor," said the owner.

"Well, how much then? What do you want?" questioned the Canadian.

"If Señor will fill my sombrero and my son's sombrero with pesos, silver pesos, I will give you the concession.

"But," protested the engineer, "four thousand pesos are much more than two hats will hold."

"No, no, Señor, no. You must fill my sombrero and my son's sombrero with pesos."

And the foreigner returned the next day with enough pesos to fill the two hats so that the coins rolled over the sides. The Indian was delighted.

Two sombreros filled with pesos meant something to him. Four thousand pesos, that sum was a myth.

It is not the ignorance of the peons or the Indians, however, which makes the financial situation in Mexico difficult to solve. It is the ignorance of many officials and leaders regarding international finance. So many Mexicans cannot understand the relationship which should exist between nations, although they have a clear idea of money matters between individuals.

Discussing the problems of finance and reconstruction with Mexican officials one is impressed by the fact that so few of these can see the viewpoint of the outside business man, the foreign capitalist. Most Mexicans will say that because of the rich natural resources of the country any foreigner ought to be willing to loan money to the government. The resources are here, many of them still untouched, they will declare, and if foreign capital invests in Mexico, it should be prepared to share prosperity or revolution with Mexico.

The pacification of Mexico to-day presents in many respects the same problem with which the United States Government had to deal after the Civil War. The Mexican bandits are, so to say, the Ku-Klux Klan of this country. Generals Villa and Zapata may be likened to the James brothers. The difference is that in the United States the bandits attacked American or national

property. In Mexico bandits destroy foreign property. The most popular cry of the revolutionists has been "Down with the foreigners who exploited us." Thus our neighbour south of the Rio Grande faces some of our problems of the late Sixties with the added difficulty that whenever the highwaymen operate there it causes an international as well as an internal crisis.

The operations of Villa in the North have agitated not only foreign business interests, but the American people. What Zapata has done disturbs the Mexicans the most, although he, too, is opposed to foreigners.

The Carranza Government has sent several military expeditions into Morelos in an attempt to crush Zapata. As the soldiers marched through the state in search of Zapata's army they met only the most peaceful citizens. No one knew where Zapata was! No one had seen his army! Zapata was clever enough not to fight. He ordered all his soldiers to bury their arms and plough their fields. When the Carranza forces left, the army appeared, and it was, and still is, unsafe for any one to go through the state. The government has attempted to stop shipments of ammunition to Zapata, but this has not been successful, as officers and soldiers in the government's army have sold munitions to Zapata. Now the government, suspicious of certain officers and men, is laying a trap for them, and if they are caught they, too, will be "disciplined."

Another demand of the revolutionists has been for "land." Even the present government sympathises with this demand, and the first endeavours of President Carranza to fulfil promises made during his campaign are being made in the little belligerent state of Morelos. It is, in point of size, the smallest state in the Union. When the Spaniards settled in this country they gave to each town and city what was called the "ejidos." This was the granting of one league of land around the original town or city limits to the inhabitants to be worked by the community. During the development of Mexico this league of land has been given to outsiders or to farmers having property nearby. Many towns have lost their "ejidos." This is particularly true in Morelos, and the "good" citizens of this fighting state want back this land. So the present government is attempting a new means of pacification. It is returning this property to the community. Simultaneously the government is announcing that all political rivals, who swear allegiance to the government, will be pardoned. While this movement is having all the success the government anticipated, its progress can only be very gradual because Zapata, like the Germans, is a propagandist. He is telling his followers that if they surrender to Carranza they will be executed. He is warning the farmers that if they desert him they will be downtrodden by the Americans. And the people of Morelos are suspicious of "outsiders."

This anti-American part of the propaganda is very popular. Even the present government, according to many Mexicans, is too friendly to the United States. Most of the newspapers of Mexico City, even those that are pro-Ally in their war sympathies, have a grudge against the United States. *El Democrata,* the chief organ of the Germans, prints more articles of hate about the United States than any other newspaper. Some American journals are most effectively aiding the Germans in Mexico by demanding armed intervention.

Redencion, another daily, seizes every opportunity to stir the slumbering Mexican against the "Yankees." On August 9th, 1917, it printed on the first page a three column cartoon picturing a nude woman, tied to a stake, representing the revolution. The fire, kindled at her feet, represented the "enemy" of the revolution, and the fresh logs which had been placed on the flames were labelled: "Yankees," "United States," "Friends of the Yankees," etc. Government officials who are friendly to the United States, such as Señor Don Luis Cabrera, unofficially the Acting Secretary of the Treasury, and Señor Don Manuel Amaya, official introductor of Ambassadors, are also "enemies."

El Democrata is one of the morning newspapers which does not receive the *Associated Press* despatches. Its news, telegrams from the United States and Europe, are sent to Mexico City from

New York by the "Spanish-American News Agency." These telegrams, which the United States censor was permitting to pass while I was in Mexico, were not only intensely pro-German, but exceedingly anti-American.

Before the United States declared war the German Embassy in Washington sent a daily telegram to the German Minister in Mexico City, Herr von Eckhart. This despatch contained the wireless news circulated by the German Admiralty and Foreign Office. When the United States declared war the service ceased, and an organisation known as the "Spanish-American News Agency," with headquarters in New York, began to serve *El Democrata* and several newspapers in South America.

Judging from the despatches I saw printed, this concern succeeded the news service of the German government, operating as a Mexican company. The "Spanish-American News Agency" was, and doubtless still is, doing more to cause trouble between the United States and Mexico than any other public agency in the Mexican Republic.

Another publicity prostitute is *La Defensa,* an afternoon newspaper also controlled by German interests. It announces daily some great catastrophe to the United States or the Allies. While I was in the capital it proclaimed an American revolution. It announced the sinking of several American battleships and transports. It forecasted American intervention and printed the

most astounding "news" about events in Washington. Some of this news had a basis in fact; some had none at all. *La Defensa* receives most of its telegrams from Nuevo Laredo, Mexico. A Mexican who lives in Laredo, Texas, crosses the international bridge with copies of American newspapers daily and from the Mexican telegraph office he telegraphs his untruthful accounts to Mexico City. He, too, is a trouble breeder, who might, with advantage, be watched by the Department of Justice.

Although several reports have been made to the United States Government about the activities of these newspapers, no steps have been taken to stop such practices. German propaganda is a sort of international dachshund which escapes the eyes of the dog catchers by following neutral citizens as soon as the Germans go into hiding.

The general opinion in Mexico City I found to be that, as a group, the Germans are working very quietly. Many of these German citizens are related to Americans and they correspond freely with residents of the United States. They receive all of the American newspapers and magazines and are able to keep almost as well informed about events in the United States as the German Embassy in Washington was before diplomatic relations were broken. While it is impossible to-day to send information to Berlin from Mexico by wireless, the mail route via Cuba is still open to Spain, and from that country the

German representatives have the use of an uncensored wireless.

When in the summer of 1917 there were reports that German agents in Mexico were plotting against the United States President, Carranza summoned the German Minister to inform him that the government would not permit attacks on a friendly government to be hatched on Mexican soil. The Germans to-day are working quietly with but one object. They believe that after the war, when the real fight for raw materials and commercial supremacy begins, the greatest possibilities for Germany will be in Mexico. This country has many of the raw materials which Germany will need, and the Germans figure that it will be easier for German merchants to buy in Mexico, if that country remains neutral, than in any of the lands which were belligerents. For this reason, alone, it is highly in the interests of the Kaiser's Government that Mexico remain friendly to Berlin. It is generally believed in Mexico that one of the factors determining President Wilson's policy toward that country was the attitude of Latin-America. The Carranza Government was quick to recognise this, and now everything possible is being done to fuse the bonds between Mexico and South and Central America. Diplomats from the nations of South and Central America who arrived in Mexico during my stay were accorded the most enthusiastic receptions. At that time the Republic of Argentine sent a new

envoy. When he arrived at Vera Cruz a delegation of Mexican Ministers and officers were sent to act as his escort to the capital. In the big palace at the port the incoming diplomat was tendered a banquet at which several speeches were made about the value of Latin-American union. To these cordial addresses the Argentinian replied that his country, too, favoured such a union.

When the speaking had ended, a young general (there are many generals under thirty in Mexico) arose, and in a long, hesitating, after-dinner speech, declared that he believed in the purposes of such a union but considered the name an unfortunate one.

"I propose," said he, "that we call this union a Latin-Mexican union and leave the America out."

This general was one of the group of anti-American army officers who are pro-German and who carry around chips as shoulder straps.

One might imagine that a government with so many internal problems to solve might be spared international perplexities. Not so in Mexico. Mexico's internal strife is the chief cause of her international disputes. There are some radical Mexicans who advocate the lynching of all foreigners. Others desire the confiscation of all foreign property. This group of radicals was influential enough at the Querétaro convention held not long ago to insert confiscatory clauses in the constitution. Some Mexicans will state

that these provisions of the constitution will be enforced some day, while others will remark:

"Oh, but what is a constitution among friends?"

Nevertheless the chief obstacle to reconstruction in Mexico to-day is the lack of confidence of foreign investors in the stability and honesty of the present government. As long as there are rebels and grafting generals about the country, and so long as the present government holds property confiscated when the Constitutionalists were a *de facto* government, foreigners will be sceptical of Mexico. President Carranza and his most trusted advisors know this but they are still, to a certain degree, hampered by the radicals, who know nothing and care less about international obligations. Where it is possible the present government is returning confiscated property, even that belonging to the old Cientificos, the so-called "scientific grafters" of the Diaz régime.

When the State Department sent Mr. George A. Chamberlain to Mexico City to reopen the United States Consulate-General, he selected a house on Avenida Juarez which was built by Señor Limantour, Secretary of the Treasury under President Diaz. The house at the time was occupied by General Urquizo under confiscation orders of the government. Mr. Chamberlain told the owners he wanted to rent the place on behalf of the United States Government. General Urquizo

was ordered to evacuate. When he turned the residence over to representatives of the Limantour estate, who were to rent it to the Consul General, the palatial home itself was in as good condition as it was when built, although all the expensive furnishings had disappeared.

While I was at the capital a forestry expert who had been sent to Europe years ago by Diaz to study the scientific care and planting of trees and shrubs returned to Mexico City. President Carranza sent for him and asked him to head the Forestry Department of the present government.

These are instances which indicate a new policy on behalf of the Carranza Government. Government officials, including members of the Chamber of Deputies, assured me that the government intended to return all confiscated property as soon as this became possible.

The Carranza Government is to-day operating the tramways of Mexico City and all the national railroads, even the English road from the capital to Vera Cruz.

Several years ago there were many street car systems in Mexico City, all in miserable condition. Belgian, English and French investors saw the possibility of consolidating these lines and the Mexican Tramways Company was organised. The same investors to-day own the large power plant located about one hundred miles from the capital at Necaxa. In peace time this station provided all the electric power and light for Mex-

ico City, Pachuca, El Oro and other cities. The Light and Power Company and the Tramways Company are operated as distinct corporations.

Sometime in 1914 the Carranza forces "intervened" and took over the tramways without paying the investors interest or compensation. For over two years the power company furnished the electricity to run the cars free of charge. This was confiscated property, pure and simple.

President Carranza saw that some day the tramways would have to be returned to the owners. He was informed that if they were returned in their present condition the company might claim millions of dollars worth of damages. So the President ousted his former grafting "interventor" and appointed a young engineer, Señor Francisco Cravioto, as director on behalf of the government, responsible to Mr. Carranza alone. Since Señor Cravioto has been in office he has paid instalments on the electric power bills amounting, up to midsummer 1917, to $40,000 a month, and he has turned over a few hundred thousand pesos to pay interest on the foreign bonds out of many millions owing. Foreigners in Mexico City to-day look forward to the time when the tramways will be returned to the owners and the old debts adjusted.

This is pointed out by the most optimistic foreigners as an example of what treatment foreign business interests may expect from the Carranza

Government where the business men show a willingness to co-operate.

The government is in need of financial assistance. All problems of reconstruction virtually rest upon the possibilities of this government receiving a loan. Granted a loan of $150,000,000 the most reliable foreigners in the capital believe that Mexico will experience more prosperity than it did under the Diaz régime. To-day the government is minting gold and silver as fast as possible and all the banks in the Republic are "granting" so-called "forced loans" of gold and silver which they have on deposit.

These, then, are some of the problems of reconstruction in Mexico. The nation is passing through a trying, tempting transition period. Government officials have had practically no experience directing big business enterprises or in administrating government affairs. Every element which has in the past contributed to failure is present in Mexico to-day and very few of the requirements of success are to be found. There are hatred, jealousy, suspicion, graft, intrigue and the baneful influence of "relatives" who have been appointed to office. Patriotism, sincerity, good-will, faith, honesty and confidence are lacking. But despite all these national elements the Carranza party is the strongest one in Mexico, and there are, I repeat, on the horizon no other parties or leaders who could summon the support which is being given to President Carranza.

As I have just said, the government has been seeking the friendship of the nations of Latin and Central America. But the "unkindest cut of all" came from one of these nations.

In the United States it is understood that the revolution was started against Diaz, the "Dictator," and many people in Mexico will tell you that the greatest benefit of the revolution was the overthrow of the "Don Porfirio." But there are, perhaps, some places where this is not understood, or if it is, then Uruguay has a delightful sense of humour.

One of the things the present government has done has been to change the names of all streets in the capital named after saints. Avenue San Francisco, the famous business thoroughfare, is called "Francisco I. Madero." To carry out the government policy of winning the Latin countries "Calle San Agustin" was changed to "Calle Uruguay" and the Uruguay Government was officially notified that a street in the capital had been named after that country.

In the course of diplomatic time, which is measured neither in hours or days except when ultimatums are sent, Uruguay replied that it was highly honoured by the act of the Mexican Government and had decided to change the name of one of the streets in their capital to the "Avenue of Porfirio Diaz" in honour to the great Republic of Mexico!

Although this method of honouring foreign

countries is frequently exhibited in the telephone books, I was not able to find any streets named for the United States. I passed, on several occasions however, a bronze statue of George Washington, two blocks from the American Embassy on the Plaza de Dinamarca, where the First President of the United States stands with his right hand extended and his left holding his three-cornered hat. But the bronze table which tells who this hero is has been removed and George Washington to a passer-by might be any one of a number of local or international heroes.

CHAPTER IV

GERMANY'S ALLY AT TAMPICO*

AMERICAN warships are stationed at Tampico to-day to watch Germany's ally in Mexico. From time to time one of them lifts anchor, steams out of the Pánuco River and patrols the Gulf Coast. Suspicious ships are examined, wireless messages are picked up, and night and day the trained eyes of the lookouts search the seas for hostile periscopes. When one returns the other slips away under cover of darkness to a secret destination.

From the Government wireless tower at Arlington, Virginia, the Navy Department directs the movement of these ships as it plans Uncle Sam's moves on the great international oceanic chessboard. Eternal vigilance is the price of peace at Tampico, the greatest oil port in the world. From the jungle sixty miles away flows the endless stream that propels and lubricates the Allied military machine; for the weapons with which the United States, England and France are fighting

* A friend in Mexico City wrote the author that the article in the *Saturday Evening Post* which is a part of this chapter was not permitted to be circulated in the Republic.

the dictators of the Central Powers in European waters, on land and in the air, are dependent upon Tampico for fuel oil, gasoline and lubrication.

Because Germany's ally, the I. W. W., operates in Tampico our battleships cruise in Mexican territorial waters to protect this oil basin without which the war cannot be won.

A few months before I arrived in Mexico agents of the Industrial Workers of the World organised a strike along the docks in an attempt to tie up all shipping at the port of Tampico. Money was sent from New York by German agents to Tampico to be used against the oil companies and the Allies. A special messenger carrying fourteen thousand dollars was spotted as he landed. At that time the quick intervention of United States naval officers and the co-operation of the managers of the oil companies and the Mexican authorities aborted the German plot. The strike failed and the I. W. W. leaders were temporarily discredited; but to-day the same plotters, inspired by the same foreigners and financed by the same interests, are working through the Labourers' Union and the Union of Port Mechanics—the I. W. W. in sheep's clothing. I found them preparing the workers for another lockout by urging the men to strike for higher wages, though the wages being paid were the highest in the world for this kind of labour. The I. W. W. propaganda is as lawless as the German agitation in Russia, but always one

American man-of-war has its eyes on the city. The captain in command, the United States consul and the representatives of the American and British oil companies are watching, working and waiting.

The German-paid Industrial Workers take advantage of every event to incite the labourers, the poor peon puppets of the ruthless leaders. They are paid and inspired by German influences, as even Herr Mueller, the Austrian consul, acknowledged. When the governor of Arizona, for example, shipped several hundred disloyal miners out of his state the following appeal was printed and scattered through the streets like dirty snow:

WORKERS AND ENEMIES

The Union of Port Mechanics having knowledge that 2,000 striking mine workers of Bisbee, Arizona, U. S. A., have been deported to the Hermanas Desert, New Mexico, being thus compelled by force of rifles and machine guns to desert their families, who remain there by the lawless work of the enemies of the working class in the most frightful misery and suffering the greatest privations:

For this reason this Union, in a spirit of humanitarianism and companionship, PROTESTS and CURSES this action accomplished by the steel kings, and publishes its discontent publicly against all who act arbitrarily, restricting the right of

THE U. S. WARSHIPS AT ANCHOR IN TAMPICO HARBOR.
THEY GUARANTEE THE OIL SUPPLY FOR THE
UNITED STATES AND ENGLAND

AN OIL GUSHER AT TAMPICO. THIS IS THE WAY THE OIL
COMES OUT BEFORE THE WELL IS CAPPED

freedom to those who with pride call themselves workmen.

For the Union of Port Mechanics.

THE COMMITTEE.

AN INJURY TO ONE IS AN INJURY TO ALL

In addition to the handbill propaganda the I. W. W. publishes one daily and one weekly newspaper, and the editors and writers have all come from the United States since Congress declared war against the German Government.

But the I. W. W. is not the only lawless organisation with which the oil companies have to contend. While the Carranza Government controls the city of Tampico, General Don Manuel Pelaez, one of the rebel leaders, is the king of the oil fields. President Carranza's authority extends only eight miles from the city limits and along the railway line to Monterey, the industrial city in Northern Mexico. The direct railway line from Tampico to Mexico City is blocked. Señor Carranza's officials control the docks and the tank reservoirs near the city. On the other side of the Neutral Zone, or Mexico's No Man's Land, watch the Pelaez soldiers. General Pelaez controls the beginning, President Carranza the end, of the oil business. Pelaez taxes the production; Carranza taxes the exportation. Pelaez and his army—estimated at three thousand to twenty-seven thousand men, depending upon the authority quoted—get

forty thousand dollars a month protection money from the oil companies. Carranza gets one hundred thousand dollars in taxes every month from the Standard Oil Company; two hundred thousand dollars a month from the Huasteca Petroleum Company, and more from the Lord Cowdray interests. The oil producers maintain Pelaez, his soldiers and his government, and they contribute more than any other foreign interest toward the revenues of the present Mexican Government.

But—and this is where the story of King Pelaez begins—the trouble at Tampico has not been in the territory controlled by the bandit, but within the city limits, dominated by the central government. There have been no strikes in the oil districts where this black, crude product gushes from the earth at the rate of nearly a million barrels a day. No American lives have been lost; no American or European property has been destroyed.

In Tampico itself strikes have occurred and may develop at any time. No one can tell what a combination of I. W. W. agitators and German intriguers may do. But the curious thing is that the oil companies are satisfied.

"We believe," remarked one of the managers, "and the United States believes, that as long as we are at war with Germany it is best to leave well enough alone. We are getting oil out of Mexico. That is our part. That is what the United States and Great Britain want. That is what the companies want."

"But how are you going to adjust this situation finally?" I asked.

"*Quién sabe?*" they answered. They don't know. No one else seems to know. But of this they are certain: They don't want President Carranza to control the oil fields, especially during the war. They fear that if his generals control the wells they will submit to German influence and demand a prohibitive tax under threat of cutting the pipe lines. The oil companies are opposed to the policy of the United States Government in lifting the embargo on war material, because they maintain that if the present government begins an attack upon Pelaez the oil companies will suffer. They declare that the only thing that maintains peace is the lack of ammunition.

Time was when the oil interests were under the thumb of General Pelaez. To-day Pelaez and his chief insurgent, General Enriquez, are ruled by the companies; but the relations, at that, are very cordial, though some of the smaller oil companies do not feel this way.

I was sauntering through the hot streets en route to my hotel one day when I met the secretary of one of the small but important companies.

"I have some documents that may interest you," he said, "providing the name of our company is not used. We have just been held up for six thousand dollars."

I accompanied him to his office, where he showed

me the correspondence he had had with General Enriquez, the so-called brains of the Pelaez Government because he is the only educated man on the rebel leader's staff.

One of the notices in Spanish, as translated, reads:

REVOLUTIONARY ARMY

Pelaez Division Military Command

CIRCULAR

I beg to advise you gentlemen that twelve days are conceded to you, counting from this date, in order that you may please cover your debts which you have pending with this military command. It is understood that if the same are not paid within the term specified that I shall be obliged to proceed in a manner I may deem convenient.

LIBERTY, JUSTICE AND LAW

Juan Casiano, Mex., August First.

ENRIQUEZ.

The three impressive words—Liberty, Justice, Law—make up the motto of the Pelaez Government. Though one is tempted to look for practical evidences of the motto, one does not, because it might not be safe! Explorations in an oil jungle should be limited to oil. At least that is what I was advised.

It is not safe, either, to send money to Pelaez or Enriquez, except by trusted messenger. The

danger is not so much that the money might be lost or stolen as that some government authority might hear of it and you might be arrested for giving aid and comfort to an enemy of the Mexican Government. The cautious policy is always the safest in Mexico. This company, of course, knew the rules of the game and despatched the twelve thousand pesos to Enriquez. A note thanking the general for his services in protecting the company's properties accompanied the tribute. A few days later General Enriquez acknowledged it in the following manner:

Appreciable Sir: I take note of your courteous letter of the second instant, and in reply I wish to state that I take pleasure in offering myself to your orders.

Your true and attentive servant,

ENRIQUEZ.

A few months before this when conditions were less settled—one might say less unsettled, too—King Pelaez used to require unusually large sums at irregular intervals. But this was not an approved business method in the United States, so it was explained to Pelaez, who a few years ago was an ignorant rancher, and Pelaez was convinced that he should receive his taxes regularly, as all governments do. Pelaez has a teachable mind!

One time Pelaez demanded twenty thousand

dollars from one of the companies. The corporation had already paid a large sum and could not afford to meet his requirements; but Pelaez was, at the time, an unlimited monarch. He made war or peace as freely as the German Kaiser. And inasmuch as Pelaez had the army to destroy the company's wells the treasurer knew the taxes had to be paid, so he bought twenty thousand dollars in counterfeit money and gave it to Pelaez. The general did not examine the bills, and everything was satisfactory.

The next day Pelaez paid his soldiers, and when they attempted to pass it in the small villages the shopkeepers refused anything but metal coin. The general notified the treasurer and demanded real money immediately. The treasurer explained that he could not come to camp for several days but that he would adjust the matter. It was quite evident that a mistake had been made!

Three days later he appeared at Pelaez's headquarters.

"Where is that money?" he asked.

Pelaez handed it back. The treasurer took from his pocket a rubber stamp that he had had made and, one by one, stamped each bill with the following:

MONEY OF THE PELAEZ GOVERNMENT. GOOD.

"Now if you can't get your soldiers to accept this money of your own government," the treas-

urer stated, "I don't think much of your government."

Pelaez was impressed. All governments should have their own currency. Now Pelaez had his! The soldiers accepted the money, and so did the shopkeepers! The twenty thousand dollars cost the treasurer two hundred dollars.

But not even a peon king can be fooled the same way twice. Another company tried to give Pelaez counterfeit money, but this brought the following notice to all companies from General Enriquez:

REVOLUTIONARY ARMY

Pelaez Division Military Command

CIRCULAR

In view of the fact that in the circulation of the new ten-dollar gold pieces—twenty pesos—many counterfeit coins are coming out, I have to request of you gentlemen that in the future you will please make your payments in coins of prior coinage or in five-peso pieces.

LIBERTY, JUSTICE AND LAW

ENRIQUEZ.

Juan Casiano, Mexico, August 1, 1917.

These are only a few of the many interesting circulars and letters that were shown me by the oil companies. One does not wonder why the companies do not protest when one learns how im-

portant the protection by Pelaez and his band of bandits is. These figures, taken from the records of the United States consulate at Tampico as furnished to the State Department by Claude I. Dawson, the consul, show that during the first six months of last year 24,376,824 barrels of oil in all forms were exported.

An illuminating table follows on page 79.

This calculation, however, is far below the possible production of the Tampico fields. With the present equipment, pipe lines, pumping stations and wells the oil companies operating can produce as much as a million barrels of oil a day, but if any more oil were produced there would be no ships to carry it away. The submarine losses are felt in Tampico too.

A million barrels of oil every twenty-four hours —enough, seemingly, to fill the Hudson River, if the basin of that river off Manhattan Island ever went dry!

The largest producing companies in the Tampico district are El Aguila, the Mexican Eagle Company, belonging to Lord Cowdray, and the Huasteca Petroleum Company, founded by Mr. E. L. Doheny, of Los Angeles. These two corporations have the most wells and the largest wells, measured by daily capacity. Both companies have big camps in the oil jungle. At the Cowdray camp at Terra Armeria General Pelaez lives with his staff and soldiers. General Enriquez and his staff live at Juan Casiano, the big-

TOTAL OIL SHIPPED FROM TAMPICO, JANUARY TO JUNE, 1917, INCLUSIVE

Statement Prepared by Mr. Claude I. Dawson, U. S. Consul at Tampico

BARRELS

	Crude Oil	Distillate	Reduced	Topped	Kerosene
January, 1917					
United States	2,018,733	414,100	105,500	19,000	.....
Mexico	176,218				
Foreign Countries	234,799				
Total	2,429,750				
February, 1917					
United States	2,081,245	70,000	357,700	.....	.....
Mexico	400,424				
Foreign Countries	494,027				
Total	2,975,696				
March, 1917					
United States	3,087,903	59,000	557,750	60,000	.....
Mexico	403,832				
Foreign Countries	589,716				
Total	4,081,451				
April, 1917					
United States	2,849,994	128,000	443,000	61,000	.....
Mexico	271,134				
Foreign Countries	866,407				
Total	3,987,535				
May, 1917					
United States	3,072,181	90,000	407,546	40,000	.....
Mexico	281,296				
Foreign Countries	445,023				
Total	3,798,500				
June, 1917					
United States	2,719,520	135,000	494,000	73,000	43,000
Mexico	298,594				
Foreign Countries	523,182				
Total	3,541,296				
Total	20,814,228	896,100	2,365,496	253,000	43,000

Grand Total... 24,376,824 barrels

gest Doheny camp. The Standard Oil Company, the Mexican Gulf Company and the Texas Company are the largest refiners of oil. They purchase the crude oil from many of the small producers and make gasoline, fuel oil, kerosene and thirty other products, which they ship to all parts of the world.

"Who is Pelaez?" I asked in Tampico.

"An ignorant Mexican rancher," was the universal reply. "He is a revolutionist, like all of us, against the Carranza Government. He has a loyal army that protects our property and workers. Pelaez is king of the police in the oil districts."

"And Enriquez?" I questioned.

"A Mexican doctor," answered the foreigners, "cultured, educated, refined, and a thorough gentleman. He had a drug store in Tuxpan—another port on the Gulf of Mexico, pronounced as if spelled T-u-s-p-a-n. When the revolution broke out the Carranza troops burned his store. He lost forty thousand pesos and joined the forces against the First Chief of the Constitutionalists. He is fighting in the field to-day, awaiting the time when a responsible government will be established in Mexico City. Then he will go back into business."

I was talking to one of the producers one day when he asked whether I would like to meet Pelaez and Enriquez.

"The oil king?" I asked. "Certainly! Long live the king!"

THE GUSHER OF THE CERRO AZUL OIL WELL—600 FEET HIGH

When one is in Mexico one must do as the Mexicans do! One must shout "Long live Pelaez!" when one is in his territory.

It is a safe policy anyway always to be Mexican to a Mexican. I was lunching one day with an American official who had been sent into this country to meet the various factions. He told me the difficulties he had in being Mexican, but he said it paid him, and he cited the following instance:

He was in a small coast town, where he called to pay his respects to the governor. He desired a friendly talk and knew the best place would be about a banquet table, so he invited the general and his staff to dinner. The officer was bashful. That, indeed, was unusual. The general sent word that while he would enjoy lunching with American officers he was compelled to excuse himself because he had not been trained to dine with such high personages! The American and his staff were shocked upon finding a general who did not proclaim hourly what a great, accomplished gentleman he was even if, two years ago, he was a night watchman in Vera Cruz. The Americans urged the general to come, and he did.

Before the guests arrived the visitors held a conference and the chief said:

"General Blank, commander of the State of Blank, is coming to dinner to-night. I want every one of you gentlemen to take your table manners from him. If he eats soup with tortillas, chicken

with his fingers and drinks out of the finger bowl, every man does the same! The guests are not to be embarrassed."

The Americans, in a cordial but not a very polished manner, welcomed the Mexicans. At the table there was a great deal of talking at first, and every one waited for the general to begin to eat. But he didn't! And they waited a little longer, until the soup was cooled. Finally the American official, who had been in Mexico long enough to know that one must do as the Mexicans do, drank his soup. Without a smile or a murmur every one did the same. When the meat was served fingers and knives were used, and at the close of the meal toothpicks instead of finger bowls were passed. The general was delighted to think that he could eat with Americans and be so contented! To this day he is pro-American!

I had been in Mexico several weeks, and when an opportunity came to see a live bandit I was enthusiastic, and I got up as early on the morning we left as I did years ago when the circus came to Richmond, Indiana.

To reach the Mexican oil fields one must travel between sixty and eighty miles south of Tampico. At the wharf one boards a fast gasoline launch at sunrise and travels through the canal and Pánuco River some twenty miles to a landing station belonging to one of the oil companies. Eight miles out of the city one meets a band of eight Carranza soldiers. They are on outpost duty to

see that no Pelaez followers enter the city. From this point on one need not say, "This belongs to one of the oil companies," because everything below, above and on the earth belongs to some oil concern. The Lord Cowdray and the Doheny corporations have more than a million acres each.

From this small dock one rides by automobile twenty miles farther into the jungle, over the only wagon road in this part of Mexico. Another launch takes one across Lake Tamiahua to San Geronimo. As one glides through the quiet waters early in the day one sees thousands of flying fish, and at times the horizon is blackened with wild duck. There is so much game and there are so few hunters that this is an undreamed-of paradise.

As the launch swerves toward the dock one sees several hundred Mexican labourers standing about the narrow-gauge railway track, awaiting the departure of the work train for the fields.

Puffing along at eight miles an hour the dummy engine jerks and whines through the jungle to the camp at Juan Casiano. Beside the tracks one sees mahogany and oak trees, banana plants, orange groves, cornfields, and here and there the straw-thatched roof of a peon's home. Men and women are dressed in one-piece garments; many children are naked; others like one boy I saw with his mother's shirtwaist hanging loosely from his shoulders.

Spanish moss, orchids and other plants grow as

parasites over the trees, many of which are being strangled to death by this growth. Many parts of this territory have never been explored. Wild beasts rule the forests and hills. There are wild boars and snakes. Sometimes the latter come up on the railway bed for their sun nap. There are buzzards, the prehistoric scavengers, and Alice-blue butterflies. Beautiful birds of the tropics fly from bush to bush. Some places along the line the natives have planted corn. Their cattle graze along the roadway, and frequently the train stops to give the cows time to get off the track. Fields are so fertile that the corn averages more than twelve feet in height.

The planting is as primitive as the people are. The natives punch a hole in the earth with a stick, drop a grain of corn and cover it up. In two months they can gather the ears.

After one has travelled a few miles by train one enters the oil fields. Between the hills of the rolling country one sees the derricks where wells are being drilled. When the oil begins to gush out of the hole it is diverted into pipe lines, which carry it sixty miles to Tampico.

Geologists estimate that this country for centuries has floated on oil—but less than eighteen years ago American explorers tapped the first well. At that time there was only one company in the field. To-day there are more than a score. Then the land could be purchased for less than fifty cents an acre. To-day the cheapest available

land rents for five hundred dollars an acre per year, and the owners demand royalty on oil that may be extracted. The largest well ever discovered produced a million barrels a day, but only for five days. To-day boiling water gushes out into the lake. The next largest well is that of Cerro Azul. Its capacity is estimated at two hundred and sixty thousand barrels every twenty-four hours. It has been running steadily since 1914. The best wells produce more than sixty thousand barrels a day, and no well is considered very productive that does not give up ten thousand barrels between sunrise and sunrise. There is so much oil in Mexico that it gushes out of the ground as soon as a hole from two to three thousand feet deep has been drilled into the mud, limestone and sand. Some gushers have spouted oil six hundred and a thousand feet into the air before they were capped. One well emptied more than a million barrels into one of the valleys before it was capped.

From the railroad station we rode to the camp in a buckboard pulled by four mules. As the driver drew the reins General Enriquez saluted us. At last we were at one of the headquarters of the bandits. With Enriquez were his chief of staff, an Indian general, interpreters and soldiers. The general is short, heavily built and dark complexioned. He has long thin fingers, small feet and dark brown eyes. He wore a brown army shirt, riding breeches and tan boots. Round his

instep were buckled heavy, hand-engraved silver spurs. From the cartridge belt hung a forty-eight-calibre revolver.

We sauntered uphill to Enriquez's headquarters. Bill, the guide, Enriquez and I sat on the general's bed. The three chairs were occupied by his staff. Pelaez had been there for a conference the night before but had left for the Cowdray camp at dawn. The conversation began with Carranza and ended with the President. But most of the talking was done by an Indian general who had just returned from a thirty-five-day hunt for Indians and others loyal to Carranza. His imagination was as unlimited as the oil fields and he gloried in having a foreign audience. His last battle was his most thrilling one.

It happened in this way: The Mexican Government sent rifles and ammunition to General Mariel, one of the Carranza leaders along the Gulf of Mexico, who immediately armed the half-civilised Teptzintla and Santa Maria Indians. These wild men started to raid the outskirts of the oil district and Enriquez's Indian general with a band of troopers was sent out to halt them. In thirty-five days of wilderness fighting two hundred Indians were accounted for, and then the general entered a small town where he found seven bandits—he called the Carranza troops bandits—terrorising the village. Five were killed in the first skirmish, but the general was shot four times in his right knee and one of his soldiers was killed.

A Carranza soldier, he said, emptied his automatic into the side of the trooper and then shoved the pistol into the wound. When the remaining two were captured they were executed.

The general told almost unbelievable tales. He said the wild Indians in a war dance, a few days before he arrived, had thrown women into the flames as sacrifices. This is the Liberty, Justice and Law of the oil jungle!

For the benefit of the auto owner who, like myself, did not know how gasoline is produced, permit me to make this explanation: The crude oil as it comes from the earth is pumped to Tampico, where the refineries are located. Some is shipped to refineries in the United States. This oil is heated in large tanks to three hundred and fifty degrees. From these tanks it flows into cooling tanks; the heavy oil goes to the bottom and the vapour, or gasoline, flows out near the top. Gasoline is but the light ingredient of heavy mineral oil.

When the crude oil reaches Tampico the trouble begins. The Mexican Government taxes crude oil, gasoline, distillate and other by-products so heavily and the expenses of shipping it to England and the United States are so great that crude oil which costs twenty cents a barrel in Tampico must sell for sixty cents a barrel in Texas.

All the oil ships in and out of Tampico must go through the Pánuco River, which flows into the gulf seven miles from the city. The river must

be dredged constantly to enable the ocean-going liners to reach the docks. Throughout the revolution all oil companies have been paying six cents a barrel bar tax to keep the river deep enough for their ships, but for nearly four years little dredging has been done.

A few months ago the central government notified the oil companies that an American dredging concern had been engaged to work in the river and that the oil companies would have to pay the costs, amounting to one hundred thousand dollars a month.

With conditions so unsettled and dangers lurking in every business deal the oil companies today are doing no development work. They are taking no chances. They believe that Article Twenty-seven of the Mexican Constitution permits the government to confiscate their property and they declare that they cannot afford to spend more money in Tampico until they know how the government intends to interpret this.

The companies are literally between the jungle and the sea. No one knows what move the Carranza Government may make. No one knows what steps the United States and the Allies will take to protect the oil country if the central government begins an invasion, as President Carranza announced it would do, in his speech before Congress on September 3, 1917. At the opening of Parliament he proclaimed his intention of driving the rebels out of the oil fields. "They have been

supported by foreign oil companies," he declared. There is no doubt about the truth of this latter statement, but the companies maintain that if the fields were in the hands of the Mexican Government the government could maintain a strangle hold on the Allies—and Pelaez, they declare, is pro-Ally. The oil companies want a status quo until the war in Europe is over. Then, and perhaps sooner, the real fight about Tampico will begin. This part of the Mexican problem is not settled.

But on the surface of things in Tampico there is not a ripple. Pelaez cannot come into the city and the Carranza forces cannot go into the country without a fight. No Man's Land separates the belligerents here as it does in France.

The I. W. W. and the Germans are taking advantage of this chaotic situation, and they are preparing for eventualities. Some day there will be a clash in the oil fields or in Tampico, and when that hour comes the world will learn whether Germany's ally or the United States and her Allies control the situation.

Further trouble in Tampico or in the oil districts will benefit Germany directly because it will affect the oil supply of the United States and Great Britain.

No one seems to know the solution in Tampico, but every foreigner hopes that the ammunition which the Mexican Government has obtained from the United States will not reach the Gulf of Mex-

ico. The foreigners want a status quo until Germany is defeated. Then, then indeed, something will have to be done to settle the jurisdiction over the oil territory. Tampico oil is a world necessity. Anarchy, another German ally, cannot rule forever. Where there are smouldering flames of discontent there will be smoke.

Before I went to Tampico the Chief Mexican Manager of one of the largest oil producing companies gave me a memorandum regarding the oil supplies of the Allied powers. I print this here as it contains a great deal of valuable information and shows how vital Tampico is to England and the United States in the war against Germany.

The writer is a man of very firm convictions and the interpretations of clauses in the Mexican Constitution and his opinions regarding the government are his, not mine! I present the memorandum here because it is the statement of an expert.

I

MEMORANDUM. THE ALLIES' OIL SUPPLIES

By an American Business Man

1. Petroleum and gasoline are the two most important war materials to-day. Neither aeroplanes, tanks, motor trucks, submarines, chasers, destroyers nor battleships can run one foot without one or the other.

2. To survey the world's production of crude

oil, necessary for the manufacture of gasoline, Diesel oil and navy fuel:

The Dutch East Indies and Burmah: Too far away to serve as a source of supply in the present shortage of tank steamers.

Persia: Remote, and on the Mediterranean route. Submarines have destroyed many tankers on this route. Production small.

Russian Fields: Available only to the Russian Allies.

Roumania: In German hands.

Galicia: In Austrian hands.

United States: Practically the only source of crude oil and gasoline supply for our allies and our own forces.

But see annexed report of Hearing before Senate Committee, No. 1, page 32. The Department of the Interior gives the following figures:

Year	Consumption	Percentage Increase	Production	Drawn from Stock
1914	247,015,396	..	.....	.....
1915	276,399,918	12	281,000,000	None
1916	312,000,000	13	296,000,000	18,500,000
1917	353,000,000	13	286,990,000	*67,000,000*

Note that the Interior Department calculates a shortage of *67,000,000* barrels of petroleum in the United States for purely peace purposes for 1917. Elsewhere in the Report of the Hearing, note statement by the Bureau of Mines that it calculates an *additional* shortage of *20,000,000* for war purposes. Since this estimate it has been determined to build and operate from 35,000 to

100,000 aeroplanes. This will take an additional amount of from 3,000,000 to 9,000,000 barrels of high-grade gasoline, which production will make an *additional shortage* figured at from *40,000,000* to *63,000,000* barrels of crude. The *total shortage,* therefore, *is around 137,000,000* barrels for all peace and war purposes in the United States, which, outside of Mexico, is the only practical available supply.

Mexico: Mexico to-day can produce from wells already drilled in, how largely capped or cut down, 1,059,000 barrels per day, and the field is only wild-catted. The actual production (crude oil sold or put in storage) is at present only about 50,000,000 per annum, or 137,000 barrels per day, most of which goes to the United States.

Shipments to the United States from Mexico are limited by: a. Lack of tankers. The largest producing company (Mexican Petroleum Company) has turned seven of its tank steamers into the British trade. The ships are chartered to the British Government. More tankers, however, are being completed.

b. Lack of transportation to tide water. The total potential carriage from well to tanker is now:

To Tampico—By river barges.....	25,000	bbl. per day
By Huasteca pipe lines..	75,000	" " "
By Aguila pipe lines....	25,000	" " "
	125,000	" " "
To Tuxpam—By Penn-Mex pipe line..	25,000	" " "
By Aguila pipe lines....	50,000	" " "
Total present capacity pipe and barge..	200,000	" " "

or 73,000,000 barrels per annum. In addition, there are at least 9,000,000 barrels in storage at Tampico and Tuxpam, ready for tanker transport to the United States and her Allies.

The Mexican Petroleum Company and probably the Aguila stand ready to increase pipe line facilities up to an additional 50,000,000 barrels per annum *if they are only guaranteed protection* of their governments in the construction and in their investment. See testimony of Edward L. Doheny in annexed Report of Hearing, No. 3, page 123.

The production of the United States can be increased, if at all, only slightly. *The Mexican production is there already. It is in the hands of American and British companies which have taken the risk and made the great investment to get it. If their rights are respected or made respected by their governments there will be no shortage of petroleum supplies for the United States and the Allies in the war. There will actually be a plethora.*

II

But we have to count with the real hostility of the *de facto* government of Mexico, which is notoriously playing with the Germans. In January, 1917, a packed constituent assembly, at Querétaro (membership in which was limited to "those who had served Carranza," or less than 1 per cent. of the whole population) adopted a "constitution"

which contains the following provisions pertinent to this subject:

Article 27. In the Nation is vested ownership of.....petroleum and all hydrocarbons.

....The ownership of the Nation is inalienable and.....concessions shall be granted by the Federal Government to private parties or .....corporations organised under the laws of Mexico.

Article 28. There shall be no.....exemption from taxation.....

Article 123 (Of Labor and Social Welfare) XVIII.....Strikes shall be considered unlawful only when *the majority* of the strikers shall resort to acts of violence against persons or property.

Article 27 deliberately confiscates the oil properties acquired by British and American companies. Oil in Mexico has always been the property of the owner of the fee. The companies mentioned have spent large amounts of money to acquire oil rights by purchase and lease. The effect of this "constitutional" provision, if it is recognised as legal, is to make Mexican petroleum the inalienable property of the Nation. As such, being contraband, neutral Mexico cannot allow its shipment to belligerent nations.

Legislation is now before the Mexican Congress putting this "constitutional" provision into effect.

Article 28. The principal oil-producing com-

panies entered the field of oil exploration under inducement contracts providing that no special or export taxes should be levied against their products. The Mining Law of 1887, never repealed, provides that petroleum shall not be specially taxed. This article of the constitution of 1917 puts an end to this protection, violating contracts. An excessive export tax on petroleum and gasoline, amounting to from 20 per cent to 50 per cent of the value of the oil at the wells, has been "decreed," and is in effect and payable in July, 1917.

If the principle is accepted, Mexico is in a position to embargo shipments of oil to the Allies by increase of the export tax. No friendship toward the Allied cause has been manifested by the *de facto* government of such nature as to lead one to suspect that Mexico will fail to so embargo exports.

Art. 123. By this article, 49 per cent of a body of strikers may legally destroy properties and lives. Only when 51 per cent are so engaged is the strike illegal enough to justify the intervention of the authorities. This seems childish; but this very "constitutional" precept was invoked by the Presidente Municipal and the Jefe de Armas of Tampico during the strike in the British and American oil termini in May, 1917, to justify their refusal to interfere with the "strikers" who were carrying torches around the storage tanks. Destruction was prevented only by the interven-

tion of the American gunboats in the Pánuco River. The strikers were openly and notoriously paid during this tie-up out of the office of the German Consul, Eversbusch.

The Imperial German Empire has a Minister in Mexico, Consuls in all important centres, and intelligent Germans scattered throughout the country. They are hand-picked Germans. They are most friendly with the Mexican authorities. The Mexican army has many officers of German birth and training. Fortunately for the Allies, the oil fields are in the hands of a counter-revolutionist, with a personal interest in the safety of the fields. Should he (Manuel Pelaez) be driven out by the German-officered Carranzistas, the wells now producing would be in danger; but such damage as they could do would be repaired within two weeks after the arrival of American troops in the fields.

By the "constitutional" articles quoted above, the Germans have three excellent means of blocking the oil supply of the Allies:

(1) By protesting against the shipment to belligerents of a contraband material declared to be the property of the Mexican Government.

(2) By encouraging the *de facto* government to increase export taxes to the prohibitive point.

(3) By fomenting strikes in terminals and in the fields and attendant legalised destruction of oil in storage.

Assurance of the oil supply is simple: Refuse to recognise the *de facto* Mexican Government as a *de jure* government and make it plain that none of the confiscatory and retroactive provisions of the "constitution" shall be enforced.

If the "constitution" is enforced, German agents have at least three distinct means of ending the Mexican supply of crude oil, vitally needed in the war. If British and Americans in Mexico are simply protected in their legally acquired rights and properties, by austere demands and acts of the American and British Governments, *There Will Be No Petroleum Shortage.*

Problem: To make the American and British Governments see it.

CHAPTER V

THE LAST SPY OFFENSIVE

ON one of the main streets of Tampico stands a solid one-story cement building which, according to a large sign ribboned across the top like a banner, is the Agencia Comercial y Maritima. The members of the firm, judging from an announcement in equally prominent letters, are Heynen, Eversbusch y Cia. A smaller placard near one of the entrances states that this is the Consulate of the Imperial German Government; and under the glass cover of the bulletin board, also on the outside of the building, are notices to German citizens regarding service in the Imperial Army.

I shall not describe the structure further, except to remark that it stands on the sunny side of the street and that it is the chief German banking institution in this section of Mexico. The description is not important, except to fix in the reader's mind the cementlike reality of the narrative the events of the war have woven about the place, for this imposing edifice is one of the chief way stations on the spider's web of the German Secret Service in the republic south of the Rio Grande.

Before the United States Congress declared war against the Berlin Imperialists, Señor and Herr Carl Heynen was one of the active German agents in the United States and Mexico. So important was he considered by the United States Government, whose detectives found him in the United States when war was declared, that he was placed in an internment camp, where he lives to-day in peace and quiet. Herr Eversbusch, the other member of the concern, being the German Consul at Tampico, always remained in that city, to direct the financial transactions of the institution and protect Germany's interests.

Before America was a belligerent the Agencia Comercial y Maritima communicated in code with banks and individuals in the United States. When a censorship was established these messages were stopped; but the pause was only temporary. The State Department announced one day that those concerns having business of a confidential nature in the United States and Mexico might, by filing a copy of the code with the United States censors, continued to communicate as in the pre-war days.

At the time this pronouncement was made the American Consul, Mr. Claude I. Dawson, was in Washington, and a young vice consul was acting in his stead. One day a representative of Herr Eversbusch appeared at the Consulate with a code of this bank and the statement that, inasmuch as the bank did business with American concerns in Houston, Texas, and in New York City, it was

entitled to the use of its code. The secret document was filed with the American authorities and for an indefinite period—the authorities are not quite certain how long—this German bank and the German Consul in Tampico sent and received secret messages to and from the United States. The practice was not interrupted until Consul Dawson returned to his post.

Of course it required considerable faith on the part of Herr Eversbusch in the inability of the United States to discover such an obvious scheme at deception; but in this faith in Uncle Sam's advertised laxity the German official was disappointed. He was found out and this line of communication was cut, as have been most of the lines between German agents throughout the world and the Berlin Government.

I cite this instance to show that, though Germany has planted and selected her secret-service operators in every country on the globe, the Allied and American Secret Service offensive against the lines of communication between enemy spies and their Berlin headquarters has been so successful that one may, for the first time during the war, speak of the checkmating of the enemy's intelligence service. Battles in the air have been more spectacular, those on land more intense, and those on the seas more baffling than the secret battles between the belligerent intelligence departments; but few have been more important. What, for instance, could be more important, so far as the

LA CUCARACHA

FRASES POPULARES

Los Tres de la Vida Airada.....

Another view of Germany's leaders.

PRECIO: 20 centavos oro nacional

ANOTHER VIEW OF GERMANY'S LEADERS

United States is concerned, than the checking of the last German spy offensive in Mexico, which had for its object a military clash between that republic and the United States?

The last spy offensive marked the climax to German operations on the American continent, just as the discovery of German-paid intrigue to force peace in Europe has shattered the Imperial plans for an Imperial peace.

Undoubtedly Germany still has her trusted agents and their bribed assistants in Washington, London, Paris, Rome, Petrograd and other cities; but most of them are like a swarm of wingless bees miles away from the hive. The Allies and the United States have had to fortify themselves against spying as against military attack, and their defences to-day are almost flawless. They have succeeded in discovering if not in destroying the channels through which information was sent to and from Berlin. Sometimes, seemingly by mere chance, a link has been broken, as in the case of the wireless operator on an interned Teutonic liner who escaped to Mexico before Congress declared war. When I was in Mexico City, and even before I left the United States, I heard reports about secret German wireless stations; but I was unable to establish the location of any German tower that was not deaf and dumb, and that had any other sign language as a substitute.

After diplomatic relations between Washington and Berlin were severed the chief wireless officer

on one of the Hamburg liners formerly tied to a Hoboken wharf dismantled and took apart the plant on his ship, packed the essential parts in trunks and suitcases, and boarded a train for Mexico. Before April fourth he was safely across the international border, bag, baggage and all.

This wireless operator had been ordered to Mexico to construct one of the links in the proposed chain of communication between this hemisphere and the Kaiser's agents in Spain and Germany. But he was only one of many suspected Germans who escaped from New York before this country was formally at war with the autocratic enemy. There were many others, who were to spread the nets of German intrigue in Cuba, Mexico and Central America, and who left at the same time. By June these men were scattered in all the leading cities of the South, there to begin their operations upon orders from abroad.

It is perhaps not necessary to state that before this wireless operator packed his instrument he invoiced and carefully examined it to make sure he had all the parts needed. Those that were missing he bought through an agent; so when he left Hoboken he was certain that every part needed to make the wireless plant a success, with the exception of the tower and the electric power, was securely registered in his baggage.

When he arrived in Mexico City he reported to his All Highest officials, and within a short time was ordered to rebuild the plant he had taken

from the interned liner. With true Teutonic plodding thoroughness he assembled the parts, only to discover that one of the pieces he was certain he had packed, because it would be impossible to get a substitute in Mexico, was missing. He searched his baggage, re-examined the parts, consulted his lists, and to his astonishment and amazement learned that one of the most important features of his instrument was missing. A closer inspection of his baggage showed that it had been opened.

Some one—perhaps it is not necessary to say who, but some one who evidently knew his scheme —had entered his baggage and removed such an essential part of the machine that it could not be used in Mexico unless the part was imported from the United States. And by this time the United States was at war with Germany. This man tried through many agents to get this part from the North; but at the time I left Mexico City, in September, 1917, he was still seeking the missing link.

Some one was just a little bit more clever than he; and that some one must have been an enemy.

Perhaps it was some one in the United States Department of Justice, perhaps some one in the British; or it might have been some one in the New York detective service. It really does not matter who did the work; but it has meant a great deal to the United States to have it impossible for this German subject to erect his wireless station in Mexico.

German efforts in Mexico were divided into three classes: the press propaganda; the business intrigue; and the political endeavours. The press work was placed in the hands of Herr von Lubeck, a wealthy German merchant, who collected three hundred thousand dollars from Germans in Mexico City as an initial campaign fund.

About the middle of 1916 it was discovered that these various organisations were not only making detailed reports to Berlin, but that they were receiving instructions from headquarters there. This correspondence, which was written as confidential, was intercepted; and one document, which I obtained, discloses in a general way the activities of the German agents.

In order to make possible an efficient secret service it was necessary for Germany to spread a net over Mexico, as she did over the United States; but in casting this net in the well-known German secret manner, it struck snags, and the holes torn were so great that the German service in Mexico has lost its effectiveness. All the German agents in Mexico are known to the Allies. Every movement is traced, though sometimes it is exceedingly difficult to do so; and, though there are Germans travelling throughout Mexico all the time, their plans are nipped before they are well under way. Mexico, which was to be the Spy's Paradise, has become the German Spy's Hades.

Travelling on Mexican trains, I met a large number of Germans. On some railroad lines there were

more Germans than Americans. When I boarded the train at Monterey for Tampico there were four Germans aboard and two Americans. The remainder were Mexicans. Travellers in the interior declared that German agents were travelling in various parts of the country—on business; but through the loyal co-operation of American business men and British commercial agents these men are so effectively tracked that, even before they can do anything to cause trouble, their plans are exposed or placed before the Mexican Government.

At one time Germany tried to place German officers in the Mexican Army. At one time there were forty active German officers in that army. While I was in Mexico they were discharged. The Mexicans discovered that they could not be trusted in their posts, because, though they were employed to drill the Mexican Army, it was learned that their ulterior motives and their constant propaganda against the United States were inimical to the best interests of the Mexican Government and people.

There is a great difference between American and German activities in Mexico. Time was when the Mexicans feared the Americans; when the Mexican Government suspected American motives and American plans in Mexico. And though that time is not past, most Mexicans are beginning to realise that, with the exception of a few big financial and business interests in the United States,

no one, from the Government to the majority of the American people, desires or would sanction American military intervention in that country. But the German plans are, almost without exception, made with military ends in view.

Early in 1915 there was organised in Mexico City a Union of German Citizens. On April sixteenth, 1916, the following report was sent from this Union to the Deutscher Wirtschaftsverband for Central and South America, with home offices at Potsdamerstrasse, 28, Berlin. The significant statement was made at that time, less than one year before the United States broke off relations with Berlin: "It is not practicable for us to aid Germany by force of arms." A bold confession, indeed, that they had been thinking of military co-operation; but because of the small number of Germans in Mexico it was not practicable to do anything which might aid Germany against the United States!

"This is to advise of the organisation of this society as far back as June sixteenth last year"—1915—the report began. "As your association is occupied in Latin-American countries, our society will pursue the same course here. It is not practicable for us to aid Germany by force of arms; so our main intention will be to aid all possible in an economic manner.

"The society was founded June sixteenth, having 164 members; and the first committee was chosen October twelfth, at which time the propa-

ganda was circulated in the capital and throughout the interior. At the same time 245 Germans of the Empire joined in the capital and 113 from the interior, making a total of 522.

"As you can readily see from reading our statutes, we will accept none as members save native-born Germans, and their nationality must be proved beyond doubt. That proscription also permitted the Imperial authorities to recognise the nationality of sixty Germans. Moreover, a great number of Germans who, for various reasons, 'by not observing the ancient regulations, lost their nationality,' have regained their standing as Germans, and have been rehabilitated under the new liberal laws of the association. It is to be hoped that excellent results will emanate from this source.

"Up to the present a great number of publications on the war have been circulated in the cities and throughout the country, dealing with the German viewpoint, by the Ausschuss für Verteilung von Aufklärungs-Material, who have been working for three months; and a great number of Mexicans have been convinced that we are in the right in the methods of conducting the war and in our spirit of German culture.

"Also, the following technical works and serials have been distributed: The Great War in Description; The Actual War; The Discourse of the Chancellor, September 12, 1915; and The War and the Right, by Dr. Ed. Llorens.

"The stories contained in the *Herald,* of Hamburg, received here in December, met with great approval.

"The circulation of the propaganda will be assured by means of twenty-nine local committees, and other members throughout the country; and we are hopeful of the greatest results.

"Free courses in German have been instituted in the German schools by Mexican instructors without special effort on the part of our association, though a part of the general plan of the committee, and have been received with great approval by the public, and add to our propaganda. By this means the public will be given to understand Germany and to receive the true communications of our General Staff on the happenings of the war. The public will be disposed to accept our announcements.

"It is desired to begin the immediate construction of a German hospital, which will be a great impulse to our colony and will demonstrate to our following the power of German science, German ability, and the German spirit of organisation. If the Empire approves and gives aid it will be a great point for our propaganda. A committee of physicians has this matter under study from the scientific point of view.

"The colony of Germans of the Empire here is relatively small and the economical setbacks of the country for the past five years have greatly

hindered our spirit of enterprise against the economic strength of our enemies.

"Address correspondence for the president to Herr Ad. Christliebsen, Apartado 58, Mexico, or to the secretary, Hugo von den Steinen, Apartado 1221, Mexico City."

When this communication was discovered en route to Berlin another avenue of German intrigue was opened up; and, in view of the disclosures in the letter from former Minister of Foreign Affairs Alfred Zimmermann to the German Minister in Mexico City, it is easy to see what use the Imperial Government could have made of the twenty-nine branches of the Verband Deutscher Reichsangehöriger in case Germany's efforts had succeeded in influencing Mexico to invade the United States. Also, in view of the Zimmermann letter, one can understand the statement of this society in April, 1916, that "it is not practicable for us to aid Germany by force of arms." The society, at that time, was just being organised, and was, therefore, not powerful enough to carry on military operations. Evidently Doctor Zimmermann thought the German citizens in Mexico could violate Mexican neutrality as easily as the German Army scrapped the treaty with Belgium.

One can draw a remarkable contrast between this method of organising foreigners in Mexico with that of the American business men who, during my stay in the capital, planned an American Chamber of Commerce. The complete prospectus,

"The stories contained in the *Herald,* of Hamburg, received here in December, met with great approval.

"The circulation of the propaganda will be assured by means of twenty-nine local committees, and other members throughout the country; and we are hopeful of the greatest results.

"Free courses in German have been instituted in the German schools by Mexican instructors without special effort on the part of our association, though a part of the general plan of the committee, and have been received with great approval by the public, and add to our propaganda. By this means the public will be given to understand Germany and to receive the true communications of our General Staff on the happenings of the war. The public will be disposed to accept our announcements.

"It is desired to begin the immediate construction of a German hospital, which will be a great impulse to our colony and will demonstrate to our following the power of German science, German ability, and the German spirit of organisation. If the Empire approves and gives aid it will be a great point for our propaganda. A committee of physicians has this matter under study from the scientific point of view.

"The colony of Germans of the Empire here is relatively small and the economical setbacks of the country for the past five years have greatly

hindered our spirit of enterprise against the economic strength of our enemies.

"Address correspondence for the president to Herr Ad. Christliebsen, Apartado 58, Mexico, or to the secretary, Hugo von den Steinen, Apartado 1221, Mexico City."

When this communication was discovered en route to Berlin another avenue of German intrigue was opened up; and, in view of the disclosures in the letter from former Minister of Foreign Affairs Alfred Zimmermann to the German Minister in Mexico City, it is easy to see what use the Imperial Government could have made of the twenty-nine branches of the Verband Deutscher Reichsangehöriger in case Germany's efforts had succeeded in influencing Mexico to invade the United States. Also, in view of the Zimmermann letter, one can understand the statement of this society in April, 1916, that "it is not practicable for us to aid Germany by force of arms." The society, at that time, was just being organised, and was, therefore, not powerful enough to carry on military operations. Evidently Doctor Zimmermann thought the German citizens in Mexico could violate Mexican neutrality as easily as the German Army scrapped the treaty with Belgium.

One can draw a remarkable contrast between this method of organising foreigners in Mexico with that of the American business men who, during my stay in the capital, planned an American Chamber of Commerce. The complete prospectus,

"The stories contained in the *Herald,* of Hamburg, received here in December, met with great approval.

"The circulation of the propaganda will be assured by means of twenty-nine local committees, and other members throughout the country; and we are hopeful of the greatest results.

"Free courses in German have been instituted in the German schools by Mexican instructors without special effort on the part of our association, though a part of the general plan of the committee, and have been received with great approval by the public, and add to our propaganda. By this means the public will be given to understand Germany and to receive the true communications of our General Staff on the happenings of the war. The public will be disposed to accept our announcements.

"It is desired to begin the immediate construction of a German hospital, which will be a great impulse to our colony and will demonstrate to our following the power of German science, German ability, and the German spirit of organisation. If the Empire approves and gives aid it will be a great point for our propaganda. A committee of physicians has this matter under study from the scientific point of view.

"The colony of Germans of the Empire here is relatively small and the economical setbacks of the country for the past five years have greatly

hindered our spirit of enterprise against the economic strength of our enemies.

"Address correspondence for the president to Herr Ad. Christliebsen, Apartado 58, Mexico, or to the secretary, Hugo von den Steinen, Apartado 1221, Mexico City."

When this communication was discovered en route to Berlin another avenue of German intrigue was opened up; and, in view of the disclosures in the letter from former Minister of Foreign Affairs Alfred Zimmermann to the German Minister in Mexico City, it is easy to see what use the Imperial Government could have made of the twenty-nine branches of the Verband Deutscher Reichsangehöriger in case Germany's efforts had succeeded in influencing Mexico to invade the United States. Also, in view of the Zimmermann letter, one can understand the statement of this society in April, 1916, that "it is not practicable for us to aid Germany by force of arms." The society, at that time, was just being organised, and was, therefore, not powerful enough to carry on military operations. Evidently Doctor Zimmermann thought the German citizens in Mexico could violate Mexican neutrality as easily as the German Army scrapped the treaty with Belgium.

One can draw a remarkable contrast between this method of organising foreigners in Mexico with that of the American business men who, during my stay in the capital, planned an American Chamber of Commerce. The complete prospectus,

"The stories contained in the *Herald,* of Hamburg, received here in December, met with great approval.

"The circulation of the propaganda will be assured by means of twenty-nine local committees, and other members throughout the country; and we are hopeful of the greatest results.

"Free courses in German have been instituted in the German schools by Mexican instructors without special effort on the part of our association, though a part of the general plan of the committee, and have been received with great approval by the public, and add to our propaganda. By this means the public will be given to understand Germany and to receive the true communications of our General Staff on the happenings of the war. The public will be disposed to accept our announcements.

"It is desired to begin the immediate construction of a German hospital, which will be a great impulse to our colony and will demonstrate to our following the power of German science, German ability, and the German spirit of organisation. If the Empire approves and gives aid it will be a great point for our propaganda. A committee of physicians has this matter under study from the scientific point of view.

"The colony of Germans of the Empire here is relatively small and the economical setbacks of the country for the past five years have greatly

hindered our spirit of enterprise against the economic strength of our enemies.

"Address correspondence for the president to Herr Ad. Christliebsen, Apartado 58, Mexico, or to the secretary, Hugo von den Steinen, Apartado 1221, Mexico City."

When this communication was discovered en route to Berlin another avenue of German intrigue was opened up; and, in view of the disclosures in the letter from former Minister of Foreign Affairs Alfred Zimmermann to the German Minister in Mexico City, it is easy to see what use the Imperial Government could have made of the twenty-nine branches of the Verband Deutscher Reichsangehöriger in case Germany's efforts had succeeded in influencing Mexico to invade the United States. Also, in view of the Zimmermann letter, one can understand the statement of this society in April, 1916, that "it is not practicable for us to aid Germany by force of arms." The society, at that time, was just being organised, and was, therefore, not powerful enough to carry on military operations. Evidently Doctor Zimmermann thought the German citizens in Mexico could violate Mexican neutrality as easily as the German Army scrapped the treaty with Belgium.

One can draw a remarkable contrast between this method of organising foreigners in Mexico with that of the American business men who, during my stay in the capital, planned an American Chamber of Commerce. The complete prospectus,

published and signed by the leading American business men and bankers, I have given in the appendix of this book. The prospectus declared:

"It is proposed to establish a purely commercial and non-political organisation, which will foment the friendly trade relations between Mexico and the United States."

Among the benefits to be derived from such an organisation were cited these:

"Increase of the market in Mexico for American goods of all kinds.

"Increase of export of Mexican products to the United States and encouragement of production in Mexico by enlisting capital and creating new markets or improving present ones through better methods.

"The establishment of a much-needed bureau of business information about Mexico, its resources, opportunities and impediments, for the benefit of Americans in the United States who wish such information but at present cannot get it from reliable sources."

Instead of being a secret report, as in the case of the German *Bericht* to Berlin, the American report was published and widely circulated. No mention is made of military operations, intervention, and so on, and the object of the chamber will be as beneficial to Mexico as to the United States. That is the Great Divide between American enterprise in Mexico and German intrigue. The object of the one is to develop honest business; the Teu-

tonic object is to spread propaganda and convince Mexicans that the German methods of conducting the war are right.

It might have been stated at the beginning of the war, because of the cleverness of the German spies and the spotless organisation, that everything they did was in the dark—at least, so far as the enemy was concerned. Those were the days when inconspicuous Belgian billboards, advertisements in French and British newspapers, direct telegrams and letters from Russian traitors, and official documents from Italy were messages and reports from intelligence officers. To-day one might as correctly assert that the sun never sets on German intrigue, for practically every great scheme by which Germany has sought to embroil neutrals, destroy ships of friendly states, stir up discontent within belligerent nations, and make peace, has been discovered by the United States or the Allies before these plans, plots and military dreams came true.

One day I was sitting in the lobby of my hotel in Tampico, chatting with an American editor, when two young men entered, greeting my companion.

"Mr. Blume and Mr. Nieno," he said, introducing them.

We sat round the table and discussed the war, when my companion remarked that I had been in Germany and had written some articles about that

years; but when the war
ing everything about G
magazines will publish th
I read every article in th
Germany. I did not wai
I couldn't sleep because i
and I read that article
morning. It made me so
night!"

"Well," I replied, "you
thing that is written about
you couldn't sleep for a we
going to do when Germany
nation?"

"Germany is democratic
then the conversation follow
ent, channels.

Though it would not be s
cause Herr Blume is consi
foreigners as the chief

El Embajador: ¡Mi estar all-rigth!

$0.25

COVER-CARTOON OF AMBASSADOR FLETCHER FROM
A SMALL MAGAZINE, "MOMO," MEXICO CITY

Democracy's secret service. In fact, what work is being done in Mexico to-day for the United States and the Allies is not the work of paid confidential investigators so much as the voluntary aid of American and Allied business men and travellers. There are Allied eyes to-day on nearly every German operation; and more than one order to Imperial agents in Mexico has failed of execution because of these sleepless eyes.

It is not difficult to learn about the German moves in that country. The United States Government knows every possible means of communication between Mexico and the outside world. It knows of the possibilities through Salvador, Spain, Argentina and Japan. It knows the messengers and agents who travel between Cuba, South and Central America, and Mexico; and most of the time the United States or one of the Allies knows what is being sent. The system of watching the German agents in this Latin Republic is so water-tight that most of the danger is past.

One can meet many Americans who believe that our system in Mexico is weak because it is so easy for people to travel back and forth without passports. I heard directly of several instances where Americans went to different parts of that country without official permission; and I returned to the United States without having to give up my passport, which is required now by State Department regulations. Some opium smuggling still

goes on, some information still goes back and forth, and some Germans succeed, through Mexican and other neutral agents, in purchasing war materials in the United States; but the big moves are almost always nipped in the bud.

Not even the Austrian Consul in Monterey, the chief industrial and railroad centre in Northern Mexico, is able to get his carloads of sulphuric acid out of the United States, even though he has the largest wholesale and retail drug store in that part of the country. Whether his object is to divert this acid from war purposes, or whether it is for use in Mexico, it matters not. He was balked even when he organised, through Mexican workers, a wax-match factory, and ordered still more sulphuric acid. His business and that of his satellites may be the business of the Imperial German Government; and Uncle Sam is not taking chances.

The last spy offensive was another German failure, as both Mexico and the Germans are beginning to realise. Mexico and the United States in the mid-summer of 1917 were on friendlier relations than at any time during the war.

Since I wrote the first of the series of articles which has led to the composition of this book there have been certain events of more than ordinary significance that change, in some respects, the statements I made in those articles. Between the time of the writing and the publication of the article entitled "Rising or Setting Sun in Mexico," President Wilson recognised the de jure Govern-

ment. President Carranza addressed an autograph letter to President Wilson, notifying him officially of his selection as President of Mexico at the last election; and on August thirty-first, 1917, Mr. Wilson, without consulting his Cabinet, extended our official recognition to the present Mexican Government.

In Tampico the labour difficulties have increased; and General Carranza has sent two hundred soldiers to the city to maintain order, while a number of Mexicans have written to the United States Consulate asking that American marines be landed to protect the city at night. In these letters the Mexicans declared that it was unsafe to go on the street after dark in some neighbourhoods, and they requested American intervention.

Food and money continue to become scarcer throughout Mexico, despite the official announcements. In October, 1917, the Federal Government notified the governor of the state of Nuevo León that hereafter the Central Federal Treasury would be unable to give to the state that portion of the federal taxes which had previously been sent there. The governor was notified that he would have to raise money for the state government as best he could.

In the warehouses of Monterey there were in August, 1917, over forty thousand hides ready for exportation; but they could not be shipped because the Mexican Government demanded that the duty be paid in gold, and it was impossible for

the exporter to get the required amount. He notified American officials that he had sixty thousand hides in other warehouses, available to the Allies whenever the required amount of gold was permitted to leave the United States.

Business in the Monterey consular district has continued to increase, even beyond the figures quoted in the first article I wrote on Mexico: "Mexico—Enemy or Ally?" In July, 1917, the exportations amounted to $1,950,000; in August, $2,500,000; and during the first fifteen days of September, $1,500,000. This indicates a further revival in business in this part of Mexico.

As to whether Mexico shall be an enemy or an ally of the United States, the question is still undecided; but it seems at this time that the bonds between the two nations are being fused tighter at every rise of the sun.

But Mexico is and may remain for some time as she was described to me by a foreigner in Tampico.

"Mexico," he declared, "is the screen of a great national moving picture. The operator and his machine are in the skies. Four reels of the revolution have been unwound. Nobody knows the fifth, except the Great Author of Human Destinies; and the last act is just about to begin."

CHAPTER VI

RISING OR SETTING SUN IN MEXICO

THE sun rises unclouded in Mexico City one day, but by that afternoon the clouds dominate the battlefields of the skies. It rains for a few hours, the dusty streets are washed, automobiles and coaches skid and race through the city, and the people go home or to the theatres. The next day they expect the morning sun to be as bright and warm as it was the day before. Because, it may be, it is the rainy season now, they await the afternoon shower and are prepared for it when it comes.

In somewhat the same philosophic way they look at politics. They expect to-morrow to be as peaceful as to-day; but during the past seven years there have been so many unexpected revolutionary storms that when a change comes they act as they do when it rains in the morning, or when the sun shines all day.

To-day, however, there are a few people who would like to know whether Mexico is facing the rising sun of a new, prosperous era, or whether the sun is about to give way to the clouds of

another troublesome period. *Quién sabe?* say the Mexicans. It is true, one never can tell.

A poor-rich nation is Mexico. Rich, because foreign intellect, foreign capital, foreign engineers and foreign business men developed her resources and made her so. Poor, because the revolutions have pestered the foreigners and Mexico in somewhat the same way that an army of Hessian flies destroys a wheat field. But to-day the revolutionists have discovered that the battle cry, Down with the foreigners who exploited us!—though it may win a revolution—does not help reconstruction. The old sign which was illuminated throughout the world under President Diaz—Welcome, foreigners!—is being put up again by timid hands; and it will not be long before it is lighted so brightly that it can be read in the darkest corners of the sceptical business world. This poor little rich nation wants to be as rich in gold as in natural wealth, and the government is beginning to realise that only the hated foreigners have the gold.

There is so much of the melodramatic in Mexican life to-day that one is apt to overlook what is going on behind the scenes. One hears about the autocratic rule of various states; one learns how governors and generals hold up foreign business interests, and about the inability of the central government to enforce its orders; one reads in the newspapers about the street fights and military duels; and one imagines that the whole community

has nothing more to do. This is where one's imagination is not a safe prophet.

To-day the United States and the Allies are watching Mexico through a microscope. They delayed official recognition of Don Venustiano Carranza as president of the Republic. They were waiting to see whether the sun is rising or setting. They recognised the *de facto* government and in August, 1917, President Wilson recognised the official status of the Carranza Government.

The new constitution of Mexico, adopted at Querétaro in January, 1917, contains two articles that foreign governments consider confusing and equivocal. There is a possibility that Article Twenty-seven may be enforced to the extent that every foreign property in Mexico shall be confiscated by the government. Many millions of dollars invested by foreigners are in the hands of the government. Since January first, 1917, to the time of this writing, for instance, the Mexican Government had taken, through so-called forced loans, thirty-seven million pesos in gold from the banks of Mexico City, Monterey, Vera Cruz and other cities.

In some cases the government has given receipts. In others the French, English, Canadian and American bankers and depositors have no records. The government has been compelled to take this step because of the financial crisis that faces the nation. There is no paper money in circulation. Gold and silver coins are the only me-

dium; and the expenses of the government and the requirements of business are so enormous that money must be had, no matter what measures are necessary.

There are some Mexicans who declare that the banks will be reimbursed; but the time when this will be possible depends upon how soon the government obtains foreign financial aid.

Mexico has endeavoured to obtain, through agents, a loan from New York bankers or from the United States Government. Early in August, 1917, a report reached Mexico City that the United States would veto a loan if the bankers floated it. On August twentieth the White House announced that, in the opinion of the United States Government, a loan would not be looked upon with disfavour. This was done to assure the Mexican Government that the United States was not trying to hinder Mexico in her financial aspirations; but as the despatch appeared in the Mexican newspapers it gave the impression that the United States Government had sanctioned a loan, and that all Mexico had to do was to send a ship to New York for the money.

The biggest financial obstacle is the army. Nearly seventy per cent of the annual budget goes to the army and navy. Since there is no navy, this is purely an army expense. The pay rolls contain nearly one hundred and fifteen thousand names; but, according to conservative estimates, there are not fifty thousand soldiers in all

the government's forces. The army of dead men is so great that this form of graft is considered as contraband of the revolution.

Generals are not the only ones who are becoming millionaires, measured in pesos. In Pachuca, the largest silver and gold mining city in the world to-day, one government official recently deposited, through an American firm, seventy-five thousand dollars in a New York City bank during seven months. Besides, he purchased considerable property in the capital. The government and the foreigners were sure that this man is dishonest; but his method of grafting could not be discovered.

In Monterey a nephew of one of the highest officials in the government offered local merchants a proposition of importing articles from the United States free of high import duties, provided they would pay him from fifty to seventy per cent of these duties for his work, which consisted in getting the goods across the international border.

Fifteen years ago there thrived in Mexico City what was known as the Thieves' Market. Property stolen by maids, pickpockets, house servants and others was placed on sale every Sunday morning; and Mexicans and foreigners went there in search of missing articles and bargains. It was easier to obtain them in this shop than to start criminal investigations.

Though the Thieves' Market is still doing business, it has competition now in the antique shops and curio stores. The revolution has turned many

a church and palace inside out. Saunter through these places to-day and you will find church ornaments, silverware, jewels, Chinese silks, Japanese idols, church bells and bishops' gowns for sale. You can purchase pieces of the silk wall paper with which Emperor Maximilian covered the walls of the National Palace when he ruled the Mexican people. Some day Mexico will be a rich field for collectors.

This is part of the melodrama; but the government has already interfered in this business. There is an embargo on the shipment of any church property out of the country.

In London, Paris, Washington and Rome there are, on file with the various governments, claims of their citizens against the Republic of Mexico. Until the Mexican Government determines upon a definite policy in dealing with foreign interests, and in settling these claims, recognition of the de jure government will be withheld. President Carranza has been informed that some day there will be a reckoning; and this is one of the chief problems he is trying to solve.

Interwoven with this question, like a black thread in a piece of white cloth, is the question of neutrality. To-day Mexico is not even a passive belligerent; and the hope of the United States Government, judged by its policy, is that Mexico will adjust her internal affairs so that it will not be necessary for America to divert her war energies from the European battlefields. One day,

THESE ARE TERRA COTTA HEADS FOUND BY PROF. NIVEN. THEY SHOW THE TWO TYPES OF "MEXICAN" SEVERAL HUNDRED AND PERHAPS SEVERAL THOUSAND YEARS AGO

AN AZTEC FAMILY TREE
THIS IS A PIECE OF TERRA COTTA GIVING THE LIFE HISTORY OF AN AZTEC INDIAN FAMILY. FOUND BY PROF. NIVEN. PHOTO BY MR. NIVEN

while talking to Don Luis Cabrera in the Treasury Department, he remarked that, because the sentiment in the Chamber of Deputies was so strongly in favour of neutrality, the government would not change its policy; but, despite the statement of Mr. Cabrera and the official attitude of Washington, neutrality remains in a variable state.

It is not the attitude of the United States or Mexico to-day that is important. It is the position the two nations will assume when Mexico has to decide ultimately what she is going to do.

The sentiment among the Mexican people, so far as one can judge, is one with the motto "I don't care!" The opinion of the Intellectuals, the influential leaders back of the government, and of some high officials, is different. These men are pro-Ally because they are pro-Democracy in Mexico and Europe.

One Sunday afternoon an American banker gave a party at his home in the suburbs. One of the chief members of President Carranza's cabinet was present. His reputation as a master of anecdote had grown into fame since his visit to the United States, where he had learned to speak English.

"It was house-cleaning time in Hades," began the secretary, looking round the room, into the eyes of every woman and man present, to see what impression his first remark had made. It delighted him that his audience was international. There were present foreign diplomats, anti-Mex-

ican Americans, anti-American Mexicans, and myself.

"No. It is not shocking, as you say in the United States," he added with a smile. The guests smiled politely, too, so as not to discourage him. "Satan," he continued, "ordered his servants to dust and clean all the corners and rooms of his palace, which stood at the entrance to his estate." He spoke slowly, so as not to make a mistake in his youthful English.

"It was evening when Satan made his inspection. He saw that everything was perfectly clean inside; and then he looked at the"—he paused for the word—"exterior. Above the gate Satan read the old worn inscription: 'All hope abandon, ye who enter here.' And Satan said: 'I must have a new sign. That one is not modern. It is not up to date'—as you say in New York.

"Satan thought a while." The secretary paused and puffed his cigar. "He consulted some of his chief advisers."

"You mean his Cabinet," suggested an American.

"Ah, yes," replied the secretary; "Satan consulted his Cabinet. And the next day the new inscription above the gate read: Made in Germany!"

Though the secretary told this story with as much enthusiasm as if he had been the author of it, I imagine it was one he had heard in the States. It served the purpose at this gathering, however,

of crystallising an opinion held by many influential Mexicans. It would not be fair to give this minister's name, or to conclude that, because he is anti-German, the government is about to change its policy toward the belligerents.

Mexico is awaiting a provocation. Perhaps it would be better to say that it would not be wise for Germany to provoke her. The famous Zimmermann letter, revealing the German opinion regarding annexation, has been forgotten; but Germany is again playing with neutrality by her growing intrigues in Mexico. The I. W. W. have become as active in Mexico against foreign interests as in the United States; and the money they use is called marks.

President Carranza's authority is, in some states, only nominal to-day. A few governors, especially if they are military leaders, interpret and obey his orders as they see fit. For this reason the Chief Executive is commonly called the Easy Boss; but what for some time Mr. Carranza has been becoming is a Calm Dictator. He has been accomplishing some reforms so quietly that even the men deposed have been unaware of his object.

When Señor Carranza first took office he had to appoint his popular generals to Cabinet positions. To date he has eliminated most of them, and with great skill. One man, who was thought to be dishonest and who was anti-foreign in every policy, demanded a certain Cabinet berth—the Depart-

ment of Fomento, or Public Works. Mr. Carranza could not remove him, so he wrote a decree changing the duties of this department, taking all the important foreign work out of his hands. The foreigners were delighted; and so was the Cabinet officer, because he had other things to do. He didn't care to deal with foreigners, anyway.

A year ago from the time I was in Mexico ex-President Diaz was regarded as having been the worst dictator and boss Mexico ever had—by the Mexicans. To-day he is being considered in a different light, though his evil acts have not been forgotten. Fifteen years ago, when a list of ten names was placed before Diaz so that he might select a senator from Coahuila, he picked the ninth, that of Señor Carranza. To-day this senator is Diaz's successor, and he had developed many of the qualities of leadership the old Indian had. Mr. Carranza's friends say that he is developing a Democratic dictatorship in Mexico; but the foreigners add: "By his acts we shall judge him."

Still, the question is asked: "Was Diaz a prophet, too?"

Because of the universal lack of education among Indians and Mexicans, a representative government such as exists in Mexico to-day is, in fact, only a representation of the strongest parties and elements supporting Carranza; but Mexico remains more of a nation over Mr. Carranza than under him. He dominates the Central Govern-

ment and he holds the nominal support of his old military chiefs; though, very often, they take matters into their own hands, such as taxation of foreign mines and ranches. Though the President has compelled some of these men to resign, the task is so enormous that it cannot be completed for some time. *Mañana* is a famous expression in Mexico when one asks how soon something can be done; and, though *mañana* means to-morrow when translated into English, it signifies a much longer period when applied to work.

The iron policy in Mexico, if one may call any act there by that term, belongs to the military chiefs. There is no lack of firmness when they act.

Don Luis Cabrera, former Secretary of the Treasury and now government leader in the Chamber of Deputies, is considered the intellectual leader of the country; but one of his hobbies is the hunting of ducks. Still, this story is not to be about a duck hunt. More interesting than such excursions are his activities in Parliament.

A few days before the session adjourned, in August, 1917, some members objected in uncensored terms to the presence of Americans in Mexico City as members of a financial commission upon the invitation of the government. Their activities were due more to Cabrera's initiative than to any other official's.

Two American authorities—Professor Chandler, of Columbia University, and Professor Kem-

merer, of Princeton—had just reached the capital. A member of the Deputies declared he thought their presence ought to be investigated, and that the government ought to be questioned about such an important matter. He denounced Americans in general and the government more particularly.

Cabrera, who is always on hand to support the government, saw the members supporting the speaker and in a clever speech stated that he thought the government ought to be interrogated. The investigation was set for the next day.

The next day he appeared in a different rôle. Cabrera defended the government! A member asked whether there were no Mexicans capable of doing the work the Americans were asked to do; whether Mexicans could not audit the government's accounts. Certainly, replied Cabrera in substance; but unfortunately most of these Mexicans are out of the country. Señor Limantour, who is in Paris, could do it—Limantour was Secretary of the Treasury under Diaz.

The opposition would not be quieted and Cabrera began one of his famous orations. "Because Thomas A. Edison, an American citizen, invented electric lights is no reason why Mexico should burn candles," declared Cabrera in part. These experts, he added, had been consulted by the United States and foreign governments; and Mexico, desiring to obtain the services of financial authorities, had invited them as any other government might.

Cabrera's address and his knowledge of parliamentary rules won the day for the government, and the speaker escaped without a challenge to a duel.

He has been challenged more than once; but his opponents know that he is a crack shot at ducks.

The visit of this American commission and the growing tendency among officials to be more friendly to the United States are the hopeful signs in Mexico to-day. The financial experts were charged with the duty of investigating the receipts and expenditures of the government departments, with the object of making recommendations to establish efficiency and honesty. A giant's task it was.

By many this was interpreted as the initial step by the government in a new policy toward America and outside interests. Be that as it may, the Carranza Government was much more friendly to the United States than it had ever been. The Chief Executive time and again had ignored the protests of the German Minister because American warships were in Mexican waters at Tampico. This form of friendly neutrality was not agreeable to Herr von Eckhardt. What friendship there is to-day is due to Ambassador Fletcher. He was hissed on May first, 1917, when Carranza took the oath of office, and Von Eckhardt was applauded. If there were a celebration to-day the honours would be reversed. That much the ambassador did in four months. He may yet have the Mex-

icans cheering Uncle Sam's troops in France. One never can tell what diplomacy may do next.

One of the needs of Mexico is an efficient railroad system. A curious attempt at a refutation of this asservation of mine I have printed in the appendix of this volume. Here I reaffirm that for seven years practically no repairs have been made on any of the lines—either those owned by the government or those owned abroad and operated by the authorities. In Monterey there are the wrecks of four hundred freight cars, burned by General Villa as a sacrifice to his legions when they made their last march through the city.

A government official has inspected other lines and found four thousand cars that can be repaired; but money, labourers and materials are needed. The first and third can come only from the United States. And it has been explained to the government by private parties that, even if Mexico had the money to purchase engines and car-construction material, it would be three years before they could be delivered, unless—there is always a way to evade contracts—Mexico were an ally of the United States. And in that case every effort would be made to aid her. Allies always have the first call.

Multiply the task that faced Diaz when he was struggling with the conflicting elements of Mexico in 1877 by the increase in population in Mexico, and by the increase in foreign capital invested, and you will have an understanding of what faces

Señor Carranza. Forty years ago the United States would not recognise the official or de jure government of Diaz, because he was struggling with the same tasks and inactions of the present day, but on a smaller scale.

Whether Señor Carranza will adopt the same attitude toward foreigners that Don Porfirio did, and whether he will try to reconstruct Mexico with the assistance of outside brains, are questions which events alone can answer. Señor Carranza has the same opportunities. So far as the United States is concerned, one might judge from the former policy of President Wilson that he was willing to help the Republic get on its financial and reconstruction feet, even if the alignment of Mexico on the side of the Allies were a temporary burden. The United States is endeavouring to help the nation by advice and counsel.

One suggestion which has been made to President Carranza is that he shall abolish the decree fixing an artificial value in exchange for American money. Formerly one dollar was equal to two pesos in Mexican currency. To-day, by a government order, a dollar is accepted by the government as equal to but 1.85 pesos in gold, or 1.75 pesos in United States bank notes. If the Mexican Government would agree to the old standard—so it is stated—American gold and silver would be used in exchange and increase the amount of available currency. But the government has not acted. It is claimed that an official is benefiting by the

present arrangement; and he is apparently strong enough to prevent a change. But perhaps not! The government may not be convinced.

The mint in Mexico City is coining fifty thousand dollars' worth of silver fifty-centavo pieces every day, and much more gold. But no machine or collection of machines can make money as fast as a wasteful Republic can spend it. I doubt whether one machine can make money fast enough to pay the salary of a general who, by chance, may be a governor, an inspector, and something else too. One man in Mexico is not necessarily made for one job.

Since the spring of 1917 there has been a change in the attitude of certain foreign investors toward the Carranza Government. There has been apparent an inclination to work with the officials. Canadian and American merchants have been again looking after Mexican business. So, too, the British. Some of these people have already discussed claims with the government, and there has been a belief that they will be able to agree with the officials. This is shocking those who believed there was no chance of the Carranza Government's continuing so long.

While in Mexico, talking with a large number of foreigners, I found that those who were showing a willingness to co-operate with the authorities were not only being encouraged by the results but they believed it would be profitable.

"Concessions" is the most hated of all words by

PROFESSOR WILLIAM NIVEN, WHO HAS CHARGE OF THE EXCAVATIONS NEAR MEXICO CITY

the revolutionists, because it was said that foreigners robbed Mexico with concessions; but that word is actually being used to-day to describe what the present government is doing. I met an American who had recently obtained a water-power site near Mexico City. Engineers calculated that the falls would develop twenty-four thousand horse-power. This was concession; and it had been granted by the government that was opposed to such things when it began.

Hated, cursed, vilified and condemned, Venustiano Carranza remains the strongest political figure in Mexico, and the only man who can guide the fateful and fretful destinies of the Republic to-day. All agree about this, Mexicans and foreigners. Carranza or intervention!

There is no organised revolution to-day. Most Mexicans will tell you that Villa has no political influence, that his men are deserting from day to day. But Villa is a Mexican Humpty-Dumpty who falls to pieces one day and is put together a few months later.

When I was in Tampico I was told that Villa had been in communication with Pelaez and that General Enriquez had been designated by Pelaez to serve with Villa on his staff in case of another revolution. It is significant, also, that the troops of Manuel Pelaez call themselves "Villistas."

At one time there was a plan under way for Pelaez and Villa representatives to meet in New York for a conference, but according to a public

announcement by Villa in November, 1917, he travelled through Mexico in disguise and conferred with the other rebel chiefs.

Whatever may be Villa's political objects and aims one thing is apparent; that is that he could not make a stand against the present government of Mexico without assistance from interests in the United States opposed to Señor Carranza, or from German influences in Mexico. Villa is supported by one or the other of these, perhaps by both.

One day in 1917 three hundred Villistas strolled into Torreon, and then out to an American ranch, where they informed the manager that Villa had discharged them. Perhaps there was no more loot! Perhaps Carranza is an easy boss. It may be that this is the only kind of dictator the Mexican people will follow now.

But despite all this, the puzzle of the Mexican Sphinx remains: What Will Mexico Do? How will the government interpret the constitution? Will the authorities return confiscated property? Will the government adjust foreign claims? Will the banks be reimbursed?

Sphinxes are not found in many parts of the world, but there are two in Mexico. Standing at the corner of Calle San Francisco and Avenida Juarez, looking toward Chapultepec Park one can see, on the right, the National Theatre, the so-called White Elephant, with its incomplete marble walls glistening in the sunlight like a giant's heliograph. In the distance towers the rusty steel

skeleton of the proposed House of Parliament. The Mexicans call it the Black Elephant.

These are the Mexican Sphinxes—the symbols of Mexico to-day. Whether these structures are completed and transformed into modern architectural monuments depends upon the answers to the questions facing the government. Whether they rattle to pieces or wear away unused depends upon the replies Señor Carranza makes to the questions the world is asking. These two buildings, or parts thereof—just as Mexico itself—contain possibilities for success or failure. But the question their bleak walls and iron bones ask is answered with the echo:

"What will Mexico do?"

Aristotle once remarked that, to be complete, things must have a beginning, a middle and an end. How simple; and yet how informing! This chapter, so far, has only a beginning and a middle; therefore, it is not complete.

I began by asking whether the sun was rising or setting in Mexico. I shall answer: The sun is rising; but I cannot tell whether there will be rain to-morrow.

CHAPTER VII

THE FUTURE

MUST the United States intervene in Mexico before that country can take its place among the great nations of the world?"

Mexicans and foreigners ask this question because to most men it seems a pity that a nation with such great possibilities should be under a shadow of internal strife from decade to decade.

The answer, to my mind, is: "Yes, *but* there is more than one way to intervene in Mexico."

I do not believe that the United States would be justified to-day in intervening in Mexico with armed forces to protect American property or American life because I have confidence in the possibilities of a Mexican Government if the leaders and the people are given an opportunity to work out their own political destiny. But if German intrigue, directed from Berlin, continues to stir up hatred for the United States and continues as a source of irritation and trouble, and if the United States or her Allies during the war are attacked from Mexico, the situation might change over night.

It is obvious, I think, to most people who have

travelled in Mexico recently that the people and the government of that country cannot grow in intelligence and economic strength without the co-operation of foreigners. Mexico needs foreign help the same as every young nation, and every nation which has gone through a period of unrest, needs foreign assistance. The Mexican problem is to make the Mexican authorities understand that foreigners want to help Mexico.

The first need of the Mexican people to-day is education. Of the population which is estimated at fifteen million only about two million, according to recent estimates, can read and write. Ignorance is at the bottom of banditry. Ignorance is what enables unscrupulous men to rob the people of land and wages. Ignorance is what keeps the peons dressed in rags.

Mexico needs a public school system from one end of the country to the other, and in establishing such a system it should be understood by Mexico that substantial progress can be expected only by calling foreign educators to Mexico to superintend the work. Mexico needs great educational directors, such as the state superintendents of public instruction in some of our states. Mexico needs men like the Presidents of our great universities to help her build up an educational system.

Mexico needs an educational system that will begin not only with the children but with the men and women of to-day. They, too, must be taught to read and write and think. Mexico needs tech-

nical public school education for men. Think of the hundreds of thousands of children in Mexico who know nothing about schools!

To develop her great resources Mexico needs foreign brains and foreign capital. The United States needed it in the early days of her existence. Every country needs foreign help to "get on its feet," and Mexico is very far indeed from being an exception, especially after the many years of revolutions.

Mexico needs foreigners to advise her regarding finance, political economy and labour. Under President Carranza Mexico began by asking two university professors to come to Mexico City and study the financial problems of the Republic. This, indeed, is a step in advance.

Mexico's future depends upon her willingness to have foreigners assist her. This is what I would call political and social intervention. If Mexico is to be helped this sort of intervention must take place.

I look upon Mexico as having more possibilities than any of twelve countries I have visited during the past two years—possibilities for success or failure. And while the nations of the world, particularly the United States and her Allies, might be glad to advise Mexico, the choice rests entirely with that country. Mexico can be a friend or a foe of the United States and she has more to gain through friendship than through enmity.

Within fifty years from to-day Mexico can take

her place among the greatest nations of the world if Mexico is willing to seek the co-operation of the great Republics and Democracies of the world. Mexico, as a Republic, owes a duty to her sister nations as well as to herself. Opportunity knocks at the doors of the Republic. The battle for Civilisation, for Humanity, for International Right and for Democracy is being fought throughout the world. Mexico is being tempted by the agents of Berlin. Not only President Carranza but the other leaders of Mexico must choose between a German conquest and American and Allied co-operation.

APPENDIX

APPENDIX A

BILLS PRESENTED TO THE CHAMBER OF DEPUTIES TO RELIEVE THE FINANCIAL CRISIS

I

TRANSLATION—Bill presented to Congress of Mexico providing for an interior or foreign loan to cover the current deficit of the Government. From *El Democrata,* Mexico City, July 8, 1917.

MEXICO NEEDS TO OBTAIN A LOAN OF 150,000,000 PESOS TO COVER THE DEFICITS IN THE NATIONAL BUDGETS.

THE EXECUTIVE, WITH THE SAME TENDENCIES WHICH ACTUATED THE REVOLUTION, WILL AVOID ANY FOREIGN LOAN AND ATTEMPT TO MAKE THE FINANCIAL DEAL IN THE COUNTRY.

IF IMPOSSIBLE HE BELIEVES IN ADVANCE THAT HIS CONDUCT WILL BE JUSTIFIED SINCE HE IS TRYING TO DEFINITELY REORGANISE FINANCES.

In the Department of Finance and Public Credit we were given yesterday by the Sub-Secretary in

Charge of this Department, Don Rafael Nieto, a copy of the following important bill in which the Executive is authorised to negotiate a loan up to 150,000,000 pesos to be exclusively destined to cover the deficit appearing in the national budgets until they are adjusted. The text of the important bill to which we refer, and which will soon go before Congress, states as follows:

"The Congress of the Union has been already informed by the Executive that the budgets of the federation at present show a monthly deficit of about 5,000,000 pesos.

"To make up this figure we took into account only the normal expenses of administration, omitting the great number of small obligations of the Government which were not considered urgent, but which in any case organise a great floating debt which is increasing day by day.

"If, furthermore, we take into consideration the high cost of living, higher every day, and the necessity which we will later meet as a consequence of it of raising the wages of public employés; if we take into account the possibility that the work of pacification already is necessitating constant expenses, the supposition that the real deficit will exceed the amount above is not exaggerated.

"In order to arrest the gravity of the foregoing considerations it is sufficient to state others in respect to the future which makes a favourable

solution of the financial problems appear less remote.

"On the one hand for some time the Government has not believed the time has come to pay divers claims which may be presented on account of damages caused by the revolution, although it is now studying the particular way to recognise and liquidate them, and in due time will have to submit a bill covering this matter to Congress.

"In the same order of ideas the Executive does not believe that the payment of the public exterior debt should be renewed until the deficit referred to herein has been met. These two important responsibilities then may by the very force of circumstances be put off until later, and should therefore be excluded from consideration for the present.

"On the other hand the present incomes, in spite of the fact that conditions of the country have not yet resumed normality, are in comparison greater than those which were being received in the period before the revolution and in view of this fact, which has some significance as showing the vitality of our people, it is logical to hope that when peace is re-established in the whole of the Republic and railway service and communication in general are completely normalised, the discrepancy between income and expenses will gradually diminish until the day in which the discrepancy, which is now one of the most serious difficulties of the Government, shall disappear.

"As the indispensable bases for these objects can be realised in the effective liquidation of the present deficit, since its existence would indefinitely retire the equilibrium desired, the Executive believes the time has come when it is necessary to obtain a loan exclusively destined to fill such objects, and hopes that the National Congress, sharing with him the conviction that such a means is the only effective way to meet this important emergency, will at once grant him the authorisation necessary to begin due explorations in financial centres in the Republic and in other countries, impossible to know in advance even the possibility of obtaining a loan of such a nature.

"On account of these same difficulties the Executive could not propose to the Congress precise bases in respect to the exact amount of the operation and the conditions of issue, maturity, interest rate, etc., for the fixing of these details principally depends on the conditions of the world's financial markets which, as one of the many effects of the war, have lost all stability and it may be said change from day to day.

"Therefore, the Executive deems prudent to ask at once the Congress of the Union to grant him necessary powers to take all preliminary steps which will permit him to fix in the proper time these terms and possible conditions of the loan, the nature of the guarantees that will try to be established so far as possible on the basis that it shall not impose a charge upon public taxes,

the class of contracts which should be entered into with the holders of former obligations and all other aspects of the operations, reserving the right to submit them definitely to the Congress so that the Houses may determine the propriety of carrying the project into execution.

"The Executive, following the same tendencies which prompted the Revolution to avoid any exterior debt, will make all sorts of efforts to carry out the financial transaction within the territory of the Republic and will not apply to foreign countries until he is convinced of the impossibility of obtaining an interior loan.

"If this impossibility shall oblige him to disobey the tendencies indicated, he believes in advance that his conduct will be justified in consideration that the object he seeks is to definitely reorganise by peaceful means the finances and national public payments.

"In view of the foregoing, the Executive hopes that the national representation will see fit to give its approval to the bill hereto annexed. Mexico City, July 7, 1917. V. Carranza (Rubrica)."

BILL PROPOSED

"The Congress of the United States of Mexico in use of the power conceded by Section VIII, of Article 73, of the federal constitution, has seen fit to decree the following:

"Art. 1st.—The Executive is authorised to nego-

tiate a loan up to 150,000,000 pesos to be exclusively destined to cover the deficits met in the national budgets until they are adjusted.

"Art. 2nd.—The Executive is empowered to contract the loan referred to in the foregoing article either in the Republic or in foreign countries in the form of an operation over a long period, or by obligations of the Treasury redeemable or convertible in a brief term according to the greater or lesser difficulty encountered in obtaining the funds.

"He is also empowered to stipulate the conditions of interest, the type of interest, the form of amortization, the guarantee, and all other arrangements relating to the operation, including the contracts to be entered into with the holders of legitimate former obligations.

"Art. 3rd.—All contracts entered into should be submitted to the Congress of the Union so that Congress may approve them as a condition precedent to giving them value."

II

TRANSLATION—Bill authorising the executive of Mexico to negotiate a loan for the rehabilitation of the National Railways.—From *El Universal*, Mexico City, July 10, 1917.

LOAN OF FIFTY MILLION PESOS FOR THE NATIONAL LINES.

WILL BE DESTINED TO THE REPAIR OF TRACK, REPLACEMENT OF EQUIPMENT AND THE REORGANISATION OF SERVICE.

The Executive has sent to the Chamber of Deputies a bill in which the National Representation is informed that it is indispensable for the Government to contract a loan of 50,000,000 pesos to cope with the imperious necessities of the railway problem in the Republic.

The text of the bill is as follows:

STATEMENT OF THE QUESTION

By reason of the needs of the campaign, the Constitutionalist Government found itself obliged to take possession, first of certain lines of railway crossing the country, and later of entire systems, very particularly of the system of the National Railways of Mexico. To administer this

great organisation, the Constitutionalist Government created an autonomous Department, called Direction of Constitutionalist Railways. The execution of such acts was not arbitrary, but based on express provisions of the Railway Law.

This state of affairs and the destruction caused by the war created a situation, special to the Mexican Railway and special to the National Railway of Mexico Company, in which the Nation has a preponderance of shares. This company remains in existence to conserve its legal personality, and to administer certain properties outside of the traffic service; but the service of traffic was suspended and the system of exploitation was altered. This being so, on constitutional reorganisation of the country, the National Government must solve the grave problem of the rehabilitation of the railway companies, that they may carry on the service of traffic in the constant and systematic manner satisfactory to the needs of the Nation, which cannot live without a proper service of railway transport.

The condition of the National Railways of Mexico Company particularly interests the Government, as much because this system is the most extensive and necessary for the national life, as because the country has extended its guaranty for the payment of its debt and is the owner of the majority of its shares, by reason of which it controls the system.

THE RAILWAY PROBLEM

There are three problems related to the National Railways. First, the reconstruction of the lines, including the repair of fixed material; the construction of the works of art destroyed and the replacement of equipment. The payment of the indemnity which according to the Railway Law the Government must make to the Company must also be considered; in other terms, the first problem consists in the settlement between the Company and the Government. Second, the financial reorganisation of the company, including the indispensable arrangements with the Trust Companies representing the bond holders, the consolidation of the floating debt and the arrangements relating to certain bonds to secure interests that have matured. Third, the administrative and technical reorganisation of the Company's services, so that the system may be again operated by the owner company on the new bases exacted by the social transformation the Nation has suffered.

Of all these problems the most pressing is the replacement of the lines, which public necessity is imperiously demanding. At the same time the solution of this problem is indispensable so the rest may be studied and decided successfully.

The Executive of the Nation needs, then, to be ready to cope with all the obligations related with this preliminary problem, and for this needs the authorisation of the Legislative Power in order to

obtain the indispensable amount of money. The "modus operandi" of the investment of the necessary sums, the preferred-claim nature that will be given to the required moneys advanced, and the further details and conditions of the expenditure of the money, are secondary questions which cannot be decided until the Government can dispose of the sums to which I have referred.

For the foregoing reasons, the Executive of the Union asks for the passage of the following DECREE by the General Congress:

DECREE

SOLE ARTICLE:—The Executive of the Union is authorised to charge the credit of the State up to the sum of 50,000,000 pesos, destined to the repair of track, replacement of equipment and the reorganisation of the services of the National Railways of Mexico Company, it being understood that the Executive shall submit to the General Congress in advance the bases of the contracts he may make and the investment of the loan he shall obtain.

Mexico, July 9, 1917.

V. CARRANZA (Seal)

APPENDIX B

THE MEXICAN CONSTITUTION OF 1917

TRANSLATED BY

H. N. BRANCH, LL.B.

WITH A FOREWORD

BY

L. S. ROWE, PH.D., LL.D.

Copyright, 1917, by
AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE
All rights reserved

Here reproduced by courtesy of
THE AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE
PHILADELPHIA

FOREWORD

The widespread interest in Mexican affairs has led the Editorial Council of the Academy to arrange for the early publication of the Mexican Constitution adopted at the recent Constitutional Convention held in Querétaro. In a sense this publication supplements the special volume issued by the Academy in January last on "The Purposes and Ideals of the Mexican Revolution."

Since the first movement for independence from the mother country in 1810, Mexico has passed through an extraordinary constitutional development. The idea of a Republican form of government made its way but slowly amongst the founders of Mexican independence. Between 1810 and 1824 the opinion of the country wavered between a constitutional monarchy and a republic. It is true that the earliest Mexican Constitution—that adopted in Apatzingan by the first Constitutional Convention—provided for a Republican form of government with an Executive composed of three persons elected by the National Congress. Amongst the members of this triumvirate, a system of rotation in office was established under which each exercised the powers of Chief Executive during a consecutive period of four months.

This Constitution was regarded as provisional. As soon as the struggle for independence was over, the leaders planned to call another convention for the purposes of effecting the final organisation of the country. During the period between 1815 and 1857, the country was torn by internal strife and almost every conceivable form of Constitutional systems was tried, ranging from a republican triumvirate to the imperial system of Iturbide.

The development of Federalism in Mexico stands in marked contrast with the political evolution of the United States. In Mexico, Federalism meant the sub-division of what had been, under Spanish rule, a centralised, unified system; in the United States, the establishment of a federal system signified a closer union between separated political units. In spite of the adoption of a federal system by Mexico in 1857, the highly centralised traditions of Spanish rule perpetuated themselves and finally resulted, under the Diaz administration, in the complete subordination of the individual states to the national government.

The leaders of the revolutionary movement against the Diaz régime were convinced that the Constitution of 1857 had been used by self-seeking politicians for personal ends and that its provisions had contributed toward the domination of the country by a self-constituted oligarchy. It is not surprising, therefore, to find radical changes in the Constitution of 1917. The revolutionary

leaders, headed by Venustiano Carranza, hold that the avowed purposes of the revolutionary movement, namely to secure for the masses of the Mexican people better economic and social conditions, must be incorporated into the organic law and it is their hope that thereby the country will be protected against a possible reactionary movement. To what extent these hopes will be realised, the future alone can determine.

The Academy is under obligation to Mr. H. N. Branch for his admirable translation of the Constitution of 1917.

L. S. Rowe.

University of Pennsylvania
May, 1917.

TITLE I

CHAPTER I

Of Personal Guarantees

Article 1. Every person in the United States of Mexico shall enjoy all guarantees granted by this Constitution; these shall neither be abridged nor suspended except in such cases and under such conditions as are herein provided. (See Art. 29.)

Art. 2. Slavery is forbidden in the United States of Mexico. Slaves who enter the national territory shall, by this act alone, recover their freedom, and enjoy the protection of the law.

Art. 3. Instruction is free; that given in public institutions of learning shall be secular. Primary instruction, whether higher or lower, given in private institutions shall likewise be secular.

No religious corporation nor minister of any religious creed shall establish or direct schools of primary instruction.

Private primary schools may be established only subject to official supervision.

Primary instruction in public institutions shall be gratuitous.

Art. 4. No person shall be prevented from engaging in any profession, industrial or commercial pursuit or occupation of his liking, provided it be lawful. The exercise of this liberty shall only be forbidden by judicial order when the rights of third persons are infringed, or by executive order, issued under the conditions prescribed by law, when the rights of society are violated. No one shall be deprived of the fruit of his labor except by judicial decree.

Each State shall determine by law what professions shall require licenses, the requisites to be complied with in obtaining the same, and the authorities empowered to issue them.

Art. 5. No one shall be compelled to render personal services without due compensation and without his full consent, excepting labor imposed as a penalty by judicial decree, which shall conform to the provisions of clauses I and II of Article 123.

Only the following public services shall be obligatory, subject to the conditions set forth in the respective laws: military service, jury service, service in municipal and other public elective office, whether this election be direct or indirect, and service in connection with elections, which shall be obligatory and without compensation.

The State shall not permit any contract, covenant or agreement to be carried out having for its object the abridgment, loss or irrevocable sacri-

fice of the liberty of man, whether by reason of labor, education or religious vows. The law, therefore, does not permit the establishment of monastic orders, of whatever denomination, or for whatever purpose contemplated.

Nor shall any person legally agree to his own proscription or exile, or to the temporary or permanent renunciation of the exercise of any profession or industrial or commercial pursuit.

A contract for labor shall only be binding to render the services agreed upon for the time fixed by law and shall not exceed one year to the prejudice of the party rendering the service; nor shall it in any case whatsoever embrace the waiver, loss or abridgment of any political or civil right.

In the event of a breach of such contract on the part of the party pledging himself to render the service, the said party shall only be liable civilly for damages arising from such breach, and in no event shall coercion against his person be employed.

Art. 6. The expression of ideas shall not be the subject of any judicial or executive investigation, unless it offend good morals, impair the rights of third parties, incite to crime or cause a breach of the peace.

Art. 7. Freedom of writing and publishing writings on any subject is inviolable. No law or authority shall have the right to establish censorship,

require bond from authors or printers, nor restrict the liberty of the press, which shall be limited only by the respect due to private life, morals and public peace. [Under no circumstances shall a printing press be sequestrated as the corpus delicti.]

The organic laws shall prescribe whatever provisions may be necessary to prevent the imprisonment, under pretext of a denunciation of offenses of the press, of the vendors, newsboys, workmen and other employees of the establishment publishing the writing denounced, unless their responsibility be previously established.

Art. 8. Public officials and employees shall respect the exercise of the right of petition, provided it be in writing and in a peaceful and respectful manner; but this right may be exercised in political matters solely by citizens.

To every petition there shall be given an answer in writing by the official to whom it may be addressed, and the said official shall be bound to inform the petitioner of the decision taken within a brief period.

Art. 9. The right peaceably to assemble or to come together for any lawful purpose shall not be abridged; but only citizens shall be permitted to exercise this right for the purpose of taking part in the political affairs of the country. No armed assembly shall have the right to deliberate.

No meeting or assembly shall be deemed unlaw-

LIST OF THE PRESIDENTS OF MEXICO, COMMENCING WITH PORFIRIO DIAZ

1. Gen. Porfirio Diaz. From 1873 to 1883, and from 1888 to May 25, 1911.
2. Lic. Francisco Leon de la Barra. From May 25, 1911, to Nov. 1, 1911.
3. D. Francisco I. Madero. From Nov. 1, 1911, to Feb. 19, 1913.
4. Lic. Pedro Luscarain. From 7.01 P. M., Feb. 19, 1913, to 7.46 P. M. on the same day.
5. Gral Victoriano Huerta. From Feb. 19, 1913, to July 15, 1914.

ful, nor may it be dissolved, which shall have for its purpose the petitioning of any authority or the presentation of any protest against any act, provided no insults be proffered against the said authority, nor violence resorted to, nor threats used to intimidate or to compel the said authority to render a favorable decision.

Art. 10. The inhabitants of the United States of Mexico are entitled to have arms of any kind in their possession for their protection and legitimate defense, excepting such as are expressly prohibited by law and such as the nation may reserve for the exclusive use of the army, navy and national guard; but they shall not bear such arms within inhabited places, except subject to the police regulations thereof.

Art. 11. Every one has the right to enter and leave the Republic, to travel through its territory and change his residence without necessity of a letter of security, passport, safe conduct or any other similar requirement. The exercise of this right shall be subordinated to the powers of the judiciary, in the event of civil or criminal responsibility, and to those of the executive, in so far as relates to the limitations imposed by law in regard to emigration, immigration, and the public health of the country, or in regard to undesirable foreigners resident in the country.

Art. 12. No titles of nobility, prerogatives or hereditary honors shall be granted in the United States of Mexico, nor shall any effect be given to those granted by other countries.

Art. 13. No one shall be tried according to private laws or by special tribunals. No person or corporation shall have privileges nor enjoy emoluments which are not in compensation for public services and established by law. Military jurisdiction shall be recognized for the trial of criminal cases having direct connection with military discipline, but the military tribunals shall in no case and for no reason extend their jurisdiction over persons not belonging to the army. Whenever a civilian shall be implicated in any military crime or offense, the cause shall be heard by the corresponding civil authorities.

Art. 14. No law shall be given retroactive effect to the prejudice of any person whatsoever.

No person shall be deprived of life, liberty, property, possessions or rights without due process of law instituted before a duly created court, in which the essential elements of procedure are observed and in accordance with previously existing laws.

In criminal cases no penalty shall be imposed by mere analogy or even by a priori evidence, but the penalty shall be decreed by a law in every respect applicable to the crime in question.

[In civil suits the final judgment shall be according to the letter or the juridical interpretation of the law; in the absence of the latter, the general legal principles shall govern.]

Art. 15. No treaty shall be authorized for the extradition of political offenders, or of offenders of the common class, who have been slaves in the country where the offense was committed. Nor shall any agreement or treaty be entered into which abridges or modifies the guarantees and rights which this constitution grants to the individual and to the citizen.

Art. 16. No one shall be molested in his person, family, domicile, papers or possessions, except by virtue of an order in writing of the competent authority setting forth the legal ground and justification for the action taken. [No order of arrest or detention shall be issued against any person other than by competent judicial authority, nor unless preceded by a charge, accusation or complaint for a specific offense punishable by imprisonment, supported by an affidavit of a credible party or by such other evidence as shall make the guilt of the accused probable; in cases in flagrante delicto any person may arrest the offender and his accomplices, placing them without delay at the disposition of the nearest authorities. Only in urgent cases instituted by the public attorney without previous complaint or indictment (see note to Art. 21) and when there is no judicial

authority available may the administrative authorities, on their strictest accountability, order the detention of the accused, placing him at the disposition of the judicial authorities. Every search warrant, which may only be issued by the judicial authority and which must be in writing, shall specify the place to be searched, the person or persons to be arrested and the objects sought, to which the proceeding shall be strictly limited; at the conclusion of which, a detailed written statement shall be drawn up in the presence of two witnesses proposed by the occupant of the place to be searched, or, in his absence or refusal, by the official making the search.

Administrative officials may enter private houses solely for the purpose of determining that the sanitary and police regulations have been complied with; they may likewise demand the exhibition of books and documents necessary to prove that the fiscal regulations have been obeyed, subject to the respective laws and to the formalities prescribed for cases of search.

Art. 17. No one shall be imprisoned for debts of a purely civil character. No one shall take the law into his own hands, nor resort to violence in the enforcement of his rights. The courts shall be open for the administration of justice at such times and under such conditions as the law may establish; their services shall be gratuitous and all judicial costs are accordingly prohibited.

Art. 18. Detention shall be exercised only for offenses meriting corporal punishment. The place of detention shall be different and completely separated from that set apart for the serving of sentences.

The Federal and State Governments shall organize in their respective territories the penal system—penal colonies or prisons—on the basis of labor as a means of regeneration. (See Art. 5 and Clauses I and II of Art. 123.)

Art. 19. No detention shall exceed three days except for reasons specified in the formal order of commitment, which shall set forth the offense charged, the substance thereof, the time, place and circumstances of its commission, and the facts disclosed in the preliminary examination; these facts must always be sufficient to establish the corpus delicti and the probable guilt of the accused. All authorities ordering any detention or consenting thereto, as well as all agents, subordinates, wardens or jailers executing the same, shall be liable for any breach of this provision.

The trial shall take place only for the offense or offenses set forth in the formal order of commitment. If it shall develop in the course of trial that another offense different from that charged has been committed, a separate accusation must be brought. This, however, shall not prevent the joinder of both causes of action, if deemed advisable.

Any maltreatment during apprehension or confinement; any molestation inflicted without legal justification; any exaction or contribution levied in prison are abuses which the law shall correct and the authorities repress.

Art. 20. In every criminal trial the accused shall enjoy the following guarantees:

I. He shall be set at liberty on demand and upon giving a bond up to ten thousand pesos, according to his status and the gravity of the offense charged, provided, however, that the said offense shall not be punishable with more than five years' imprisonment; he shall be set at liberty without any further requisite than the placing of the stipulated sum at the disposal of the proper authorities or the giving of an adequate mortgage bond or personal security.

II. He may not be forced to be a witness against himself; wherefore denial of access or other means looking towards this end is hereby strictly prohibited.

III. He shall be publicly notified within forty-eight hours after being turned over to the judicial authorities of the name of his accuser and of the nature of and cause for the accusation, so that he may be familiar with the offense with which he is charged, may reply thereto and make his preliminary statement.

IV. He shall be confronted with the witnesses against him, who shall testify in his presence if

they are to be found in the place where the trial is being held, so that he may cross-examine them in his defense.

V. All witnesses which he shall offer shall be heard in his defense, as well as all evidence received, for which he shall be given such time as the law may prescribe; he shall furthermore be assisted in securing the presence of any person or persons whose testimony he may request, provided they are to be found at the place of trial.

VI. He shall be entitled to a public trial by a judge or jury of citizens who can read and write and are also citizens of the place and district where the offense shall have been committed, provided the penalty for such offense be greater than one year's imprisonment. The accused shall always be entitled to trial by jury for all offenses committed by means of the press against the public peace or against the safety, domestic or foreign, of the Republic.

VII. He shall be furnished with all information of record needed for his defense.

VIII. He shall be tried within four months, if charged with an offense the maximum penalty for which does not exceed two years' imprisonment, and within one year, if the maximum penalty be greater.

IX. He shall be heard in his own defense, either personally or by counsel, or by both, as he may desire. In case he shall have no one to defend him, a list of official counsel shall be submitted to

him in order that he may choose one or more to act in his defense. If the accused shall not desire to name any counsel for his defense, after having been called upon to do so at the time of his preliminary examination, the court shall appoint counsel to defend him. The accused may name his counsel immediately on arrest and shall be entitled to have him present at every stage of the trial; but he shall be bound to make him appear as often as required by the court.

X. In no event may imprisonment or detention be extended through failure to pay counsel fees or through any other pecuniary charge, by virtue of any civil liability or other similar cause. Nor shall detention be extended beyond the time set by law as the maximum for the offense charged.

The period of detention shall be reckoned as a part of the final sentence.

Art. 21. The imposition of all penalties is an exclusive attribute of the judiciary. The prosecution of offenses belongs to the public prosecutor and to the judicial police, who shall be under the immediate command and authority of the public prosecutor. The punishment of violations of municipal and police regulations belongs to the administrative authorities, and shall consist only of a fine or of imprisonment not exceeding thirty-six hours. Should the offender fail to pay the fine this shall be substituted by the corresponding pe-

riod of arrest, which shall in no case exceed fifteen days.

Should the offender be a workman or unskilled laborer, he shall not be punished with a fine greater than the amount of his weekly wage or salary.]

Art. 22. Punishments by mutilation and infamy, by branding, flogging, beating with sticks, torture of any kind, excessive fines, confiscation of property and any other penalties, unusual or working corruption of the blood, are prohibited.

[Attachment proceedings of the whole or part of the property of any person made under judicial authority to cover any civil liability arising out of the commission of any offense, or by reason of the imposition of any tax or fine, shall not be deemed a confiscation of property.]

Art. 23. Capital punishment is likewise forbidden for all political offenses; in the case of offenses other than political it shall only be imposed for high treason committed during a foreign war, parricide, murder with malice aforethought, arson, abduction, highway robbery, piracy, and grave military offenses.

Art. 24. [Every one is free to embrace the religion of his choice and to practice all ceremonies, devotions or observances of his respective creed, either in places of public worship or at home, pro-

vided they do not constitute an offense punishable by law.

Every religious act of public worship shall be performed strictly within the places of public worship, which shall be at all times under governmental supervision. (Drawn largely from "Leyes de Reforma" of December 14, 1874. See note to Art. 130.)

Art. 25 Sealed correspondence sent through the mails shall be free from search, and its violation shall be punishable by law.

Art. 26. No member of the army shall in time of peace be quartered in private dwellings, without the consent of the owner; nor shall he demand any other exaction. In time of war the military may demand lodging, equipment, provisions and other assistance, in the manner provided by the corresponding martial law.

Art. 27. The ownership of lands and waters comprised within the limits of the national territory is vested originally in the Nation, which has had, and has, the right to transmit title thereof to private persons, thereby constituting private property.

Private property shall not be expropriated except for reasons of public utility and by means of indemnification.

The Nation shall have at all times the right to

impose on private property such limitations as the public interest may demand as well as the right to regulate the development of natural resources, which are susceptible of appropriation, in order to conserve them and equitably to distribute the public wealth. For this purpose necessary measures shall be taken to divide large landed estates; to develop small landed holdings; to establish new centers of rural population with such lands and waters as may be indispensable to them; to encourage agriculture and to prevent the destruction of natural resources, and to protect property from damage detrimental to society. Settlements, hamlets situated on private property and communes which lack lands or water or do not possess them in sufficient quantities for their needs shall have the right to be provided with them from the adjoining properties, always having due regard for small landed holdings. Wherefore, all grants of lands made up to the present time under the decree of January 6, 1915, are confirmed. Private property acquired for the said purposes shall be considered as taken for public utility.

In the Nation is vested direct ownership of all minerals or substances which in veins, layers, masses, or beds constitute deposits whose nature is different from the components of the land, such as minerals from which metals and metaloids used for industrial purposes are extracted; beds of precious stones, rock salt and salt lakes formed directly by marine waters, products derived from

the decomposition of rocks, when their exploitation requires underground work; phosphates which may be used for fertilizers; solid mineral fuels; petroleum and all hydrocarbons—solid, liquid or gaseous.

In the Nation is likewise vested the ownership of the waters of territorial seas to the extent and in the terms fixed by the law of nations; those of lakes and inlets of bays; those of interior lakes of natural formation which are directly connected with flowing waters; those of principal rivers or tributaries from the points at which there is a permanent current of water in their beds to their mouths, whether they flow to the sea or cross two or more States; those of intermittent streams which traverse two or more States in their main body; the waters of rivers, streams, or ravines, when they bound the national territory or that of the States; waters extracted from mines; and the beds and banks of the lakes and streams hereinbefore mentioned, to the extent fixed by law. Any other stream of water not comprised within the foregoing enumeration shall be considered as an integral part of the private property through which it flows; but the development of the waters when they pass from one landed property to another shall be considered of public utility and shall be subject to the provisions prescribed by the States.

In the cases to which the two foregoing paragraphs refer, the ownership of the Nation is in-

alienable and may not be lost by prescription; concessions shall be granted by the Federal Government to private parties or civil or commercial corporations organized under the laws of Mexico, only on condition that said resources be regularly developed, and on the further condition that the legal provisions be observed.

Legal capacity to acquire ownership of lands and waters of the nation shall be governed by the following provisions:

I. Only Mexicans by birth or naturalization and Mexican companies have the right to acquire ownership in lands, waters and their appurtenances, or to obtain concessions to develop mines, waters or mineral fuels in the Republic of Mexico. The Nation may grant the same right to foreigners, provided they agree before the Department of Foreign Affairs to be considered Mexicans in respect to such property, and accordingly not to invoke the protection of their Governments in respect to the same, under penalty, in case of breach, of forfeiture to the Nation of property so acquired. Within a zone of 100 kilometers from the frontiers, and of 50 kilometers from the sea coast, no foreigner shall under any conditions acquire direct ownership ot lands and waters.

II. The religious institutions known as churches, irrespective of creed, shall in no case have legal capacity to acquire, hold or administer real property or loans made on such real property; all such real property or loans as may be at present

held by the said religious institutions, either on their own behalf or through third parties, shall vest in the Nation, and any one shall have the right to denounce property so held. Presumptive proof shall be sufficient to declare the denunciation well-founded. Places of public worship are the property of the Nation, as represented by the Federal Government, which shall determine which of them may continue to be devoted to their present purposes. Episcopal residences, rectories, seminaries, orphan asylums or collegiate establishments of religious institutions, convents or any other buildings built or designed for the administration, propaganda, or teaching of the tenets of any religious creed shall forthwith vest, as of full right, directly in the Nation, to be used exclusively for the public services of the Federation or of the States, within their respective jurisdictions. All places of public worship which shall later be erected shall be the property of the Nation.

III. Public and private charitable institutions for the sick and needy, for scientific research, or for the diffusion of knowledge, mutual aid societies or organizations formed for any other lawful purpose shall in no case acquire, hold or administer loans made on real property, unless the mortgage terms do not exceed ten years. In no case shall institutions of this character be under the patronage, direction, administration, charge or supervision of religious corporations or institutions, nor of ministers of any religious creed or of

their dependents, even though either the former or the latter shall not be in active service.

IV. Commercial stock companies shall not acquire, hold, or administer rural properties. Companies of this nature which may be organized to develop any manufacturing, mining, petroleum or other industry, excepting only agricultural industries, may acquire, hold or administer lands only in an area absolutely necessary for their establishments or adequate to serve the purposes indicated, which the Executive of the Union or of the respective State in each case shall determine.

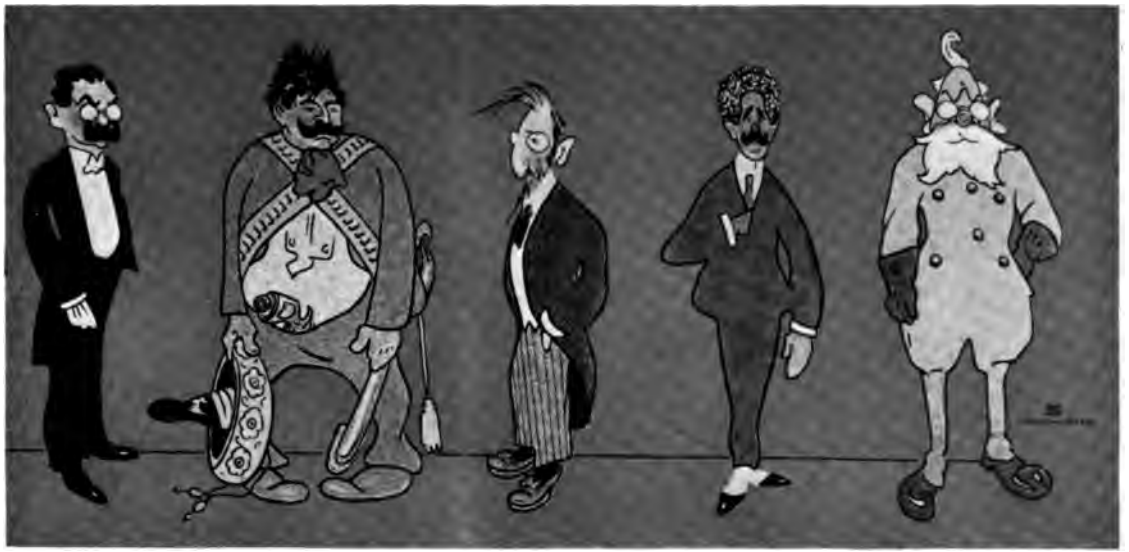
V. Banks duly organized under the laws governing institutions of credit may make mortgage loans on rural and urban property in accordance with the provisions of the said laws, but they may not own nor administer more real property than that absolutely necessary for their direct purposes; and they may furthermore hold temporarily for the brief term fixed by law such real property as may be judicially adjudicated to them in execution proceedings.

VI. Properties held in common by co-owners, hamlets situated on private property, pueblos, tribal congregations and other settlements which, as a matter of fact or law, conserve their communal character, shall have legal capacity to enjoy in common the waters, woods and lands belonging to them, or which may have been or shall be restored to them according to the law of January 6, 1915, until such time as the manner of

making the division of the lands shall be determined by law.

VII. Excepting the corporations to which Clauses III, IV, V and VI hereof refer, no other civil corporation may hold or administer on its own behalf real estate or mortgage loans derived therefrom, with the single exception of buildings designed directly and immediately for the purposes of the institution. The States, the Federal District and the Territories, as well as the municipalities throughout the Republic, shall enjoy full legal capacity to acquire and hold all real estate necessary for public services.

The Federal and State laws shall determine within their respective jurisdictions those cases in which the occupation of private property shall be considered of public utility; and in accordance with the said laws the administrative authorities shall make the corresponding declaration. The amount fixed as compensation for the expropriated property shall be based on the sum at which the said property shall be valued for fiscal purposes in the catastral or revenue offices, whether this value be that manifested by the owner or merely impliedly accepted by reason of the payment of his taxes on such a basis, to which there shall be added 10 per cent. The increased value which the property in question may have acquired through improvements made subsequent to the date of the fixing of the fiscal value shall be the only matter subject to expert opinion and to judicial determi-



LIST OF THE PRESIDENTS OF MEXICO (*Continued*)

6. Lic. Francisco Garbajal. From July 15, 1914, to Aug. 13, 1914.
The office was vacant during six days and the city was under the command of Gral D. Alvaro Obregon.
From Nov. 25, 1914, until Dec. 13, 1914, the city was occupied by the Zapatistas.
7. Eulalio Gutierrez. From Dec. 13, 1914, to Jan. 29, 1915. Acted as and in connection with the Presidency of the Convention and in charge of the Executive power. Fled the city, leaving it abandoned.
8. Roque Gonzalez Garza. Occupied the vacant place of President of the Revolutionary Convention and acted as Executive in Mexico, until Jan. 30 of the same year. Moved to Cuernavaca, still holding the same offices, and returned to the City of Mexico on March 11, 1915, on which date Gral Obregon left the city. Continued occupying the same office until the end of May, 1915.
9. Lic. Francisco Lagos Charazo. By decree of the Sovereign Revolutionary Convention, occupied the place left vacant by Roque Gonzalez Garza at Mexico, on July 31, 1915, and retained the same until the dissolution of the said convention, which was dispersed by the Constitutional Army in October, 1915.
10. C. Venustiano Carranza. From Aug. 20, 1914, to Nov. 24 in the same year as First Chief of the Constitutional Army and in charge of the Executive Office from Nov. 24, 1914, located at Veracruz, retaining his office until his return to the City of Mexico and was elected Constitutional President on March 11, 1917.

nation. The same procedure shall be observed in respect to objects whose value is not recorded in the revenue offices.

All proceedings, findings, decisions and all operations of demarcation, concession, composition, judgment, compromise, alienation, or auction which may have deprived properties held in common by co-owners, hamlets situated on private property, settlements, congregations, tribes and other settlement organizations still existing since the law of June 25, 1856, of the whole or a part of their lands, woods and waters, are declared null and void; all findings, resolutions and operations which may subsequently take place and produce the same effects shall likewise be null and void. Consequently all lands, forests and waters of which the above-mentioned settlements may have been deprived shall be restored to them according to the decree of January 6, 1915, which shall remain in force as a constitutional law. In case the adjudication of lands, by way of restitution, be not legal in the terms of the said decree, which adjudication have been requested by any of the above entities, those lands shall nevertheless be given to them by way of grant, and they shall in no event fail to receive such as they may need. Only such lands, title to which may have been acquired in the divisions made by virtue of the said law of June 25, 1856, or such as may be held in undisputed ownership for more than ten years are excepted from the provision of nullity, pro-

vided their area does not exceed fifty hectares. (1 hectare = 2.47 acres.) Any excess over this area shall be returned to the commune and the owner shall be indemnified. All laws of restitution enacted by virtue of this provision shall be immediately carried into effect by the administrative authorities. Only members of the commune shall have the right to the lands destined to be divided, and the rights to these lands shall be inalienable so long as they remain undivided; the same provision shall govern the right of ownership after the division has been made. The exercise of the rights pertaining to the Nation by virtue of this article shall follow judicial process; but as a part of this process and by order of the proper tribunals, which order shall be issued within the maximum period of one month, the administrative authorities shall proceed without delay to the occupation, administration, auction, or sale of the lands and waters in question, together with all their appurtenances, and in no case may the acts of the said authorities be set aside until final sentence is handed down.

During the next constitutional term, the Congress and the State Legislatures shall enact laws, within their respective jurisdictions, for the purpose of carrying out the division of large landed estates, subject to the following conditions:

(a) In each State and Territory there shall be fixed the maximum area of land which any one

individual or legally organized corporation may own.

(b) The excess of the area thus fixed shall be subdivided by the owner within the period set by the laws of the respective locality; and these subdivisions shall be offered for sale on such conditions as the respective governments shall approve, in accordance with the said laws.

(c) If the owner shall refuse to make the subdivision, this shall be carried out by the local government, by means of expropriation proceedings.

(d) The value of the subdivisions shall be paid in annual amounts sufficient to amortize the principal and interest within a period of not less than twenty years, during which the person acquiring them may not alienate them. The rate of interest shall not exceed 5 per cent per annum.

(e) The owner shall be bound to receive bonds of a special issue to guarantee the payment of the property expropriated. With this end in view, the Congress shall issue a law authorizing the States to issue bonds to meet their agrarian obligations.

(f) The local laws shall govern the extent of the family patrimony, and determine what property shall constitute the same on the basis of its inalienability; it shall not be subject to attachment nor to any charge whatever.

All contracts and concessions made by former governments from and after the year 1876 which shall have resulted in the monopoly of lands, waters and natural resources of the Nation by a

single individual or corporation, are declared subject to revision, and the Executive is authorised to declare those null and void which seriously prejudice the public interest.

Art. 28. There shall be no private nor governmental monopolies of any kind whatsoever in the United States of Mexico; nor exemption from taxation nor any prohibition even under cover of protection to industry, excepting only those relating to the coinage of money, to the postal, telegraphic, and radio-telegraphic services, to the issuance of bills by a single banking institution to be controlled by the Federal Government, and to the privileges which for a limited period the law may concede to authors and artists for the reproduction of their work and lastly, to those granted inventors or improvers of inventions for the exclusive use of their inventions.

The law will accordingly severely punish and the authorities diligently prosecute any accumulating or cornering by one or more persons of necessaries for the purpose of bringing about a rise in price; any act or measure which shall stifle or endeavor to stifle free competition in any production, industry, trade or public service; any agreement or combination of any kind entered into by producers, manufacturers, merchants, common carriers or other public or quasi-public service, to stifle competition and to compel the consumer to pay exorbitant prices; and in general whatever

constitutes an unfair and exclusive advantage in favor of one or more specified person or persons to the detriment of the public in general or of any special class of society.

Associations of labor organized to protect their own interests shall not be deemed a monopoly. Nor shall coöperative associations or unions of producers be deemed monopolies when, in defense of their own interests or of the general public, they sell directly in foreign markets national or industrial products which are the principal source of wealth of the region in which they are produced, provided they be not necessaries, and provided further that such associations be under the supervision or protection of the Federal Government or of that of the States, and provided further that authorization be in each case obtained from the respective legislative bodies. These legislative bodies may, either on their own initiative or on the recommendation of the Executive, revoke, whenever the public interest shall so demand, the authorization granted for the establishment of the associations in question.

Art. 29. In cases of invasion, grave disturbance of the public peace, or any other emergency which may place society in grave danger or conflict, the President of the Republic of Mexico, and no one else, with the concurrence of the council of ministers, and with the approval of the Congress, or if the latter shall be in recess, of the Permanent

Committee, shall have power to suspend throughout the whole Republic or in any portion thereof, such guarantees as shall be a hindrance in meeting the situation promptly and readily; but such suspension shall in no case be confined to a particular individual, but shall be made by means of a general decree and only for a limited period. If the suspension occur while the Congress is in session, this body shall grant such powers as in its judgment the Executive may need to meet the situation; if the suspension occur while the Congress is in recess, the Congress shall be convoked forthwith for the granting of such powers.

CHAPTER II

Of Mexicans

Art. 30. Several of the provisions of this article follow the Naturalization Law of May 28, 1886, while others are a radical departure in the juridical theories hitherto accepted in Mexico. A Mexican shall be such either by birth or by naturalization.

I. Mexicans by birth are those born of Mexican parents, within or without the Republic, provided in the latter case the parents be also Mexicans by birth. Persons born within the Republic of foreign parentage shall likewise be considered Mexicans by birth, who within one year after they come of age shall declare to the Department of Foreign Affairs that they elect Mexican citizenship, and

who shall furthermore prove to the said Department that they have resided within the country during the six years immediately prior to the said declaration.

II. Mexicans by naturalization are:

(a) The children of foreign parentage born in the country, who shall elect Mexican citizenship in the manner prescribed in the foregoing clause, and in whom the residence qualification required in the said section does not concur.

(b) Those persons who shall have resided in the country for five consecutive years, have an honest means of livelihood and shall have obtained naturalization from the said Department of Foreign Affairs.

(c) Those of mixed Indian and Latin descent who may have established residence in the Republic, and shall have manifested their intention to acquire Mexican citizenship.

In the cases stipulated in these sections, the law shall determine the manner of proving the requisites therein demanded.]

Art. 31. It shall be the duty of every Mexican:

I. [To compel the attendance at either private or public schools of their children or wards, when under fifteen years of age, in order that they may receive primary instruction and military training for such periods as the law of public instruction in each State shall determine.

II. To attend on such days and at such hours as

the town council shall in each case prescribe, to receive such civic instruction and military training as shall fit them to exercise their civic rights, shall make them skillful in the handling of arms and familiar with military discipline.

III. To enlist and serve in the national guard, pursuant to the respective organic law for the purpose of preserving and defending the independence, territory, honour, rights and interests of the country, as well as domestic peace and order.

IV. To contribute in the proportional and equitable manner provided by law toward the public expenses of the Federation, the State and the municipality in which he resides.

Art. 32. Mexicans shall be preferred under equal circumstances to foreigners for all kinds of concessions and for all public employments, offices or commissions, when citizenship is not indispensable. No foreigner shall serve in the army nor in the police corps nor in any other department of public safety during times of peace.

Only Mexicans by birth may belong to the national navy, or fill any office or commission therein. The same requisite shall be required for captains, pilots, masters and chief engineers of Mexican merchant ships, as well as for two-thirds of the members of the crew.

CHAPTER III

Of Aliens

Art. 33. Aliens are those who do not possess the qualifications prescribed by Article 30. They shall be entitled to the guarantees granted by Chapter I, Title I, of the present Constitution; but the Executive shall have the exclusive right to expel from the Republic forthwith, and without judicial process, any foreigner whose presence he may deem inexpedient.

No foreigner shall meddle in any way whatsoever in the political affairs of the country.

CHAPTER IV

Of Mexican Citizens

Art. 34. Mexican citizenship shall be enjoyed only by those Mexicans who have the following qualifications:

I. Are over 21 years of age, if unmarried, and over 18, if married.

II. Have an honest means of livelihood.

Art. 35. The prerogatives of citizens are:

I. To vote at popular elections

II. To be eligible for any elective office and be qualified for any other office or commission, provided they have the other qualifications required by law.

III. To assemble for the purpose of discussing the political affairs of the country.

IV. To serve in the army or national guard for the defense of the Republic and its institutions, as by law determined.

V. To exercise the right of petition in any matter whatever.

Art. 36. It shall be the duty of every Mexican citizen:

I. To register in the polls of the municipality, setting forth any property he may own and his professional or industrial pursuit, or occupation; and also to register in the electoral registration lists, as by law determined.

II. To enlist in the national guard.

III. To vote at popular elections in the electoral district to which he belongs.

IV. To fill the elective Federal or State offices to which he may be chosen, which service shall in no case be gratuitous.

V. To serve on the town council of the municipality wherein he resides and to perform all electoral and jury service.

Art. 37. Citizenship shall be lost:

I. By naturalization in a foreign country.

II. By officially serving the government of another country, or accepting its decorations, titles or employment without previous permission of the Federal Congress, excepting literary, scientific

and humanitarian titles which may be accepted freely.

III. By compromising themselves in any way before ministers of any religious creed or before any other person not to observe the present Constitution, or the laws arising thereunder.

Art. 38. The rights or prerogatives of citizenship shall be suspended for the following reasons:

I. Through failure to comply, without sufficient cause, with any of the obligations imposed by Article 36. This suspension shall last for one year and shall be in addition to any other penalties prescribed by law for the same offense.

II. Through being subjected to criminal prosecution for an offense punishable with imprisonment, such suspension to be reckoned from the date of the formal order of commitment.

III. Throughout the term of imprisonment.

IV. Through vagrancy or habitual drunkenness, declared in the manner provided by law.

V. Through being a fugitive from justice, the suspension to be reckoned from the date of the order of arrest until the prescription of the criminal action.

VI. Through any final sentence which shall decree as a penalty such suspension.

The law shall determine the cases in which civic rights may be lost or suspended and the manner in which they may be regained.

TITLE II

CHAPTER I

Of the National Sovereignty and Form of Government

Art. 39. The national sovereignty is vested essentially and originally in the people. All public power emanates from the people, and is instituted for their benefit. The people have at all times the inalienable right to alter or modify the form of their government.

Art. 40. It is the will of the Mexican people to constitute themselves into a democratic, federal, representative republic, consisting of States, free and sovereign in all that concerns their internal affairs, but united in a federation according to the principles of this fundamental law.

Art. 41. The people exercise their sovereignty through the federal powers in the matters belonging to the Union, and through those of the States in the matters relating to the internal administration of the latter. This power shall be exercised in the manner respectively established by the Constitutions, both Federal and State. The constitutions of the States shall in no case contravene the stipulations of the Federal constitution.

CHAPTER II

Of the Integral Parts of the Federation and the National Territory

Art. 42. The national territory comprises the integral parts of the Federation and the adjacent islands in both oceans. It likewise comprises the Island of Guadalupe, those of Revillagigedo, and that of "La Pasión," situated in the Pacific Ocean.

Art. 43. The integral parts of the Federation are: The States of Aguascalientes, Campeche, Coahuila, Colima, Chiapas, Chihuahua, Durango, Guanajuato, Guerrero, Hidalgo, Jalisco, México, Michoacán, Morelos, Nayarit (see Art. 47), Nuevo León, Oaxaca, Puebla, Querétaro, San Luis Potosí, Sinaloa, Sonora, Tabasco, Tamaulipas, Tlaxcala, Vera Cruz, Yucatán, Zacatecas, the Federal District, the Territory of Lower California, and the Territory of Quintana Roo.

Art. 44. The Federal District shall embrace its present territory; in the event of the removal of the Federal Powers to some other place it shall be created into the State of the Valley of Mexico, with such boundaries and area as the Federal Congress shall assign to it.

Art. 45. The States and Territories of the Federation shall keep their present boundaries and

areas, provided no boundary question shall exist between them.

Art. 46. The States having pending boundary questions shall arrange or settle them as provided by this Constitution.

Art. 47. The State of Nayarit shall have the territorial area and boundaries at present comprising the Territory of Tepic.

Art. 48. The islands in both oceans embraced within the national territory shall depend directly on the Federal Government, excepting those over which the States have up to the present time exercised jurisdiction.

TITLE III

CHAPTER I

Of the Division of Powers

Art. 49. The supreme power of the Federation is divided for its exercise into legislative, executive and judicial.

Two or more of these powers shall never be united in one person or corporation, nor shall the legislative power be vested in one individual except in the case of extraordinary powers granted to the Executives, in accordance with the provisions of Article 29.

CHAPTER II

Of the Legislative Power

Art. 50. The legislative power of the United States of Mexico is vested in a general Congress which shall consist of a House of Representatives and a Senate.

SECTION I

Of the Election and Installation of the Congress

Art. 51. The House of Representatives shall consist of representatives of the Nation, all of whom shall be elected every two years by the citizens of Mexico.

Art. 52. One Representative shall be chosen for each 60,000 inhabitants or for any fraction thereof exceeding 20,000, on the basis of the general census of the Federal District and of each State and Territory. Any State or Territory in which the population shall be less than that fixed by this article shall, nevertheless, elect one Representative.

Art. 53. There shall be elected an alternate for each Representative.

Art. 54. The election of Representatives shall be direct, in accordance with the provisions of the electoral law.

Art. 55. Representatives shall have the following qualifications:

I. They shall be Mexican citizens by birth (see Art. 30) and in the enjoyment of their rights.

II. They shall be over twenty-five years of age on the day of election.

III. They shall be natives of the States or Territories respectively electing them, or domiciled and actually resident therein for six months immediately prior to the election. The domicile shall not be lost through absence in the discharge of any elective office.

IV. They shall not be in active service in the Federal army, not have any command in the police corps or rural constabulary in the districts where the elections respectively take place, for at least ninety days immediately prior to the election.

V. They shall not hold the office of secretary nor assistant secretary of any executive department nor of justice of the supreme court, unless they shall have resigned therefrom ninety days immediately prior to the election.

No State Governor, Secretary of State of the several States, nor State Judge shall be eligible in the Districts within their several jurisdictions, unless they shall have resigned from their office ninety days immediately prior to the day of election.

VI. They shall not be ministers of any religious creed.

Art. 56. The Senate shall consist of two Senators from each State and two from the Federal District, chosen in direct election.

Each State Legislature shall certify to the election of the candidate who shall have obtained a majority of the total number of votes cast.

Art. 57. There shall be elected an alternate for each Senator.

Art. 58. Each Senator shall serve four years. The Senate shall be renewed by half every two years.

Art. 59. The qualifications necessary to be a Senator shall be the same as those necessary to be a Representative, excepting that of age, which shall be over thirty-five on the day of election.

Art. 60. Each House shall be the judge of the election of its members and shall decide all questions arising therefrom.

Its decisions shall be final.

Art. 61. Representatives and Senators are inviolable for opinions expressed by them in the discharge of their duties, and shall never be called to account for them.

Art. 62. Representatives and Senators shall be disqualified during the terms for which they have been elected from holding any Federal or State

commission or office for which any emolument is received without previous permission of the respective House; in the event of their accepting such commission or office they shall forthwith lose their representative character for such time as they shall hold such appointive office. The same provision shall apply to alternate Representatives and Senators, when in active service. The violation of this provision shall be punished by forfeiture of the office of Representative or Senator.

Art. 63. The Houses shall not open their sessions nor exercise their functions without a quorum, in the Senate of two-thirds, and in the House of Representatives of a majority of the total membership; but the members present of either House shall meet on the day appointed by law and compel the attendance of the absentees within the next thirty days, and they shall warn them that failure to comply with this provision shall be taken to be a refusal of office, and the corresponding alternates shall be summoned forthwith; the latter shall have a similar period within which to present themselves, and on their failure to do so the seats shall be declared vacant and new elections called.

Representatives or Senators who shall be absent during ten consecutive days without proper cause or without leave of the President of the respective House, notice of which shall be duly communicated to the House, shall be understood as

waiving their right to attend until the next session, and their alternates shall be summoned without delay.

If there shall be no quorum to organise either of the Houses or to continue their labours, once organised, the alternates shall be ordered to present themselves as soon as possible for the purpose of taking office until the expiration of the thirty days hereinbefore mentioned.

Art. 64. No Representative or Senator who shall fail to attend any daily session without proper cause or without previous permission of the respective House, shall be entitled to the compensation corresponding to the day on which he shall have been absent.

Art. 65. The Congress shall meet on the first day of September of each year in regular session for the consideration of the following matters:

I. To audit the accounts of the previous year which shall be submitted to the House of Representatives not later than ten days after the opening of the session. The audit shall not be confined to determining whether the expenditures do or do not conform with the respective items in the Budget, but shall comprise an examination of the exactness of, and authorisation for, payments made thereunder, and of any liability arising from such payments.

No other secret items shall be permitted than

those which the Budget may consider necessary as such; these amounts shall be paid out by the secretaries of executive departments under written orders of the President.

II. To examine, discuss and approve the Budget for the next fiscal year, and to lay such taxes as may be needed to meet the expenditures.

III. To study, discuss and vote on all bills presented and to discuss all other matters incumbent upon the Congress by virtue of this Constitution.

Art. 66. The regular session of the Congress shall last the period necessary to deal with all of the matters mentioned in the foregoing article, but it may not be extended beyond the thirty-first day of December of the same year. Should both Houses fail to agree as to adjournment prior to the above date, the matter shall be decided by the Executive.

Art. 67. The Congress shall meet in extraordinary session whenever so summoned by the President, but in such event it shall consider only the matter or matters submitted to it by the President, who shall enumerate it or them in the respective call. The President shall have power to convene in extraordinary session only one of the Houses when the matter to be referred to it pertains to its exclusive jurisdiction.

Art. 68. Both Houses shall hold their meetings in the same place and shall not move to another

without having first agreed upon the moving and the time and manner of accomplishing it, as well as upon the place of meeting, which shall be the same for both Houses. If both Houses agree to change their meeting place but disagree as to the time, manner and place the President shall settle the question by choosing one of the two proposals. Neither House may suspend its sessions for more than three days without the consent of the other.

Art. 69. The President of the Republic shall attend at the opening of the sessions of the Congress, whether regular or extraordinary, and shall submit a report in writing; this report shall, in the former case, relate to the general state of the Union; and in the latter, it shall explain to the Congress or to the House addressed the reasons or causes which rendered the call necessary and the matters requiring immediate attention.

Art. 70. Every measure of the Congress shall be in the form of a law or decree. The laws or decrees shall be communicated to the Executive after having been signed by the Presidents of both Houses and by one of the secretaries of each. When promulgated, the enacting clause shall read as follows:

"The Congress of the United States of Mexico decrees (text of the law or decree)."

SECTION II

Of the Origin and Formation of the Laws

Art. 71. The right to originate legislation pertains:

I. To the President of the Republic;

II. To the Representatives and Senators of the Congress;

III. To the State Legislatures.

Bills submitted by the President of the Republic, by State Legislatures or by delegations of the States shall be at once referred to committee. Those introduced by Representatives or Senators shall be subject to the rules of procedure.

Art. 72. Bills, action on which shall not pertain exclusively to one of the Houses, shall be discussed first by one and then by the other, according to the rules of procedure as to the form, time of presentation and other details relative to discussions and votes.

(a) After a bill has been approved in the House where it originated it shall be sent to the other House for consideration. If passed by the latter it shall be transmitted to the President who, if he has no observations to make thereto, shall immediately promulgate it.

(b) Bills not returned by the Executive within ten working days with his observations to the House in which they originated, shall be consid-

ered approved, unless during the said ten days the Congress shall have adjourned or suspended its sessions, in which event they shall be returned on the first working day after the Congress shall have reconvened.

(c) Bills rejected in whole or in part by the Executive shall be returned with his observations to the House where they originated. They shall be discussed anew by this House and if confirmed by a [two-thirds majority vote of the total membership] shall be sent to the other House for reconsideration. If approved by it, also by the same majority vote, the bill shall become law and shall be returned to the Executive for promulgation.

The voting in both Houses shall be by yeas and nays.

(d) Bills totally rejected by the House not originating them shall be returned with the proper observations to the House of origin. If examined anew and approved by a majority of the members present, they shall be returned to the House rejecting them, which shall once again take them under consideration, and if approved by it, likewise by the same majority vote, they shall be sent to the Executive for the purposes of Clause A; but if the said House fail to approve them, they shall not be reintroduced in the same session.

(e) Bills rejected in part or modified or amended by the House of revision shall be discussed anew in the House of origin, but the dis-

cussion shall be confined to the portion rejected or to the amendments or additions, without the approved articles being altered in any respect. If the additions or amendments made by the House of revision be approved by a majority vote of the members present in the House of origin, the bill shall be transmitted to the Executive for the purposes of Clause A; but if the amendments or additions by the House of revision be rejected by a majority vote of the House of origin they shall be returned to the former House in order that the reasons set forth by the latter may be taken into consideration. If in this second revision the said additions or amendments be rejected by a majority vote of the members present the portion of the bill which has been approved by both Houses shall be sent to the Executive for the purposes of Clause A. If the House of revision insist by a majority vote of the members present upon the additions or amendments, no action shall be taken on the whole bill until the next session, unless both Houses agree, by a majority vote of the members present, to the promulgation of the law without the articles objected to, which shall be left till the next session, when they shall be then discussed and voted upon.

(f) The same formalities as are required for the enactment of laws shall be observed for their interpretation, amendment or repeal.

(g) No bill rejected in the House of origin be-

fore passing to the other House shall be reintroduced during the session of that year.

(h) Legislative measures may be originated in either House, excepting bills dealing with loans, taxes or imposts, or with the raising of troops, which must have their origin in the House of Representatives.

(i) [Whenever a bill shall be presented to one House it shall be first discussed there unless one month shall have elapsed since it was referred to committee and not reported, in which event an identical bill may be presented and discussed in the other House.]

(j) The President shall not make any observations touching the resolutions of the Congress or of either House when acting as an electoral body or as a grand jury, [nor when the House of Representatives shall declare that there are grounds to impeach any high federal authority for official offences.

Nor shall he make any observations touching the order for a call issued by the Permanent Committee as provided in Article 84.]

SECTION III

Of the Powers of the Congress

Art. 73. The Congress shall have power:

I. To admit new States or Territories into the Federal Union.

II. To grant statehood to Territories which have a population of eighty thousand inhabitants and the necessary means to provide for their political existence.

III. To form new States within the boundaries of existing ones, provided the following requisites are complied with:

1. That the section or sections aspiring to statehood have a population of one hundred and twenty thousand inhabitants at least;

2. That proof be given to the Congress that it has sufficient means to provide for its political existence;

3. That the legislatures of the States affected be heard as to the advisability or inadvisability of granting such statehood, which opinion shall be given within six months reckoned from the day on which the respective communication is forwarded;

4. That the opinion of the Executive of the Federal Government be also heard on the subject; this opinion shall be given within seven days after the date on which it was requested.

5. That the creation of the new State be voted upon favorably by two-thirds of the Representatives and Senators present in their respective Houses.

6. That the resolution of the Congress be ratified by a majority of the State Legislatures, upon examination of a copy of the record of the case, provided that the Legislatures of the States

to which the section belongs shall have given their consent.

7. That the ratification referred to in the foregoing clause be given by two-thirds of the legislatures of the other States, if the legislatures of the States to which the Section belongs have not given their consent.

IV. To settle finally the limits of the States, terminating the differences which may arise between them relative to the demarcation of their respective territories, except when the differences be of a litigious nature.

V. To change the residence of the supreme powers of the Federation.

VI. To legislate in all matters relating to the Federal District and the Territories, as hereinafter provided:

1. The Federal District and the Territories shall be divided into municipalities, each of which shall have the area and population sufficient for its own support and for its contribution toward the common expenses.

2. Each municipality shall be governed by a town council elected by direct vote of the people.

3. The Federal District and each of the Territories shall be administered by governors under the direct orders of the President of the Republic. The Governor of the Federal District shall despatch with the President, and the Governor of each Territory shall despatch with the President through the duly constituted channels. The Gov-

ernor of the Federal District and the Governor of each Territory shall be appointed by the President and may be removed by him at will.

4. The Superior Judges and those of First Instance of the Federal District as well as of the Territories shall be named by the Congress, acting in each case as an electoral college. In the temporary or permanent absences of the said Superior Judges these shall be replaced by appointment of the Congress, and in recess by temporary appointments of the Permanent Committee. The organic law shall determine the manner of filling temporary vacancies in the case of judges, and shall designate the authority before whom they shall be called to account for any dereliction, excepting the provisions of this Constitution with regard to the responsibility of officials. From and after the year 1923 the Superior Judges and those of First Instance to which this clause refers may only be removed from office for bad conduct and after impeachment, unless they shall have been promoted to the next higher grade. From and after the said date the compensation enjoyed by said officials shall not be diminished during their term of office.

5. The office of the Public Attorney (Ministerio Publico) of the Federal District and of the Territories, shall be in charge of an Attorney General, who shall reside in the City of Mexico, and of such Public Attorney or Attorneys as the law may determine; the said Attorney General

shall be under the direct orders of the President of the Republic, who shall appoint and remove him at will.

VII. To lay the taxes necessary to meet the expenditures of the budget.

VIII. To establish the bases upon which the Executive may make loans on the credit of the nation; to approve the said loans and to acknowledge and order the payment of the national debt.

IX. To enact tariff laws on foreign commerce and to prevent restrictions from being imposed on interstate commerce.

X. To legislate for the entire Republic in all matters relating to mining, commerce, and institutions of credit, and to establish the sole bank of issue, as provided in Article 28 of this Constitution.

XI. To create or abolish Federal offices, and to fix, increase, or decrease the compensations assigned thereto.

XII. To declare war, upon examination of the facts submitted by the Executive.

XIII. To regulate the manner in which letters of marque may be issued; to enact laws according to which prizes on sea and land shall be adjudged valid or invalid; and to frame the admiralty law for times of peace and war.

XIV. To raise and maintain the army and navy of the Union, and to regulate their organization and service.

XV. To make rules for the organization and

discipline of the National Guard, reserving for the citizens who compose it the right of appointing their respective commanders and officers, and to the States the power of instructing it in conformity with the discipline prescribed by the said regulations.

XVI. To enact laws on citizenship, naturalization, colonization, emigration, immigration and public health of the Republic.

1. The Public Health Service shall depend directly upon the President of the Republic, without the intervention of any executive department, and its general provisions shall be binding throughout the Republic.

2. In the event of epidemics of a grave or dangerous nature, of the invasion of diseases from abroad, the Public Health Service shall put into force without delay the necessary preventive measures, subject to their subsequent sanction by the President of the Republic.

3. The sanitary authorities shall have executive faculties and their determinations shall be obeyed by the administrative authorities of the country.

4. All measures which the Public Health Service shall have put into effect in its campaign against alcoholism and the sale of substances injurious to man and tending to degenerate the race shall be subsequently revised by the Congress, in such cases as fall within the jurisdiction of the latter.

XVII. To enact laws on general means of communication, postroads and post offices and to enact laws as to the use and development of the waters subject to the Federal jurisdiction.

XVIII. To establish mints, regulate the value and kinds of the national coin, fix the value of foreign moneys, and adopt a general system of weights and measures.

XIX. To make rules for the occupation and alienation of public lands and the prices thereof.

XX. To enact laws as to the organization of the diplomatic and consular services.

XXI. To define the crimes and offenses against the Nation and to fix the penalties therefor.

XXII. To grant pardons for offenses subject to federal jurisdiction.

XXIII. To make rules for its internal government and to enact the necessary provisions to compel the attendance of absent Representatives and Senators and to punish the acts of commission or omission of those present.

XXIV. To issue the organic law of the office of the Comptroller of the Treasury.

XXV. To sit as an electoral college and to name the Justices of the Supreme Court, and the Superior and Inferior Judges of the Federal District and Territories.

XXVI. To accept the resignation of the Justices of the Supreme Court and of the Superior and Inferior Judges of the Federal District and

Territories, and to name substitutes in their absence and to appoint their successors.

XXVII. To establish professional schools of scientific research and fine arts, vocational, agricultural and trade schools, museums, libraries, observatories and other institutes of higher learning, until such time as these establishments can be supported by private funds. These powers shall not pertain exclusively to the Federal Government.

All degrees conferred by any of the above institutions shall be valid throughout the Republic.

XXVIII. To sit as an electoral college and to choose the person to assume the office of President of the Republic, either as a substitute President or as a President ad interim in the terms established by Articles 84 and 85 of this Constitution.

XXIX. To accept the resignation of the President of the Republic.

XXX. To audit the accounts which shall be submitted annually by the Executive; this audit shall comprise not only the checking of the items disbursed under the Budget but the exactness of and authorization for the expenditures in each case.

XXXI. To make all laws necessary for carrying into execution the foregoing powers and all other powers vested by this Constitution in the several branches of the Government.

Art. 74. The House of Representatives shall have the following exclusive powers:

I. To sit as an electoral college to exercise the powers conferred by law as to the election of the President.

II. To watch by means of a committee appointed from among its own members over the faithful performance by the Comptroller of the Treasury in the discharge of his duties.

III. To appoint all the higher officers and other employees of the office of the Comptroller of the Treasury.

IV. To approve the annual Budget, after a discussion as to what taxes must in its judgment be laid to meet the necessary expenditures.

V. To take cognizance of all charges brought against public officials, as herein provided, for official offenses, and should the circumstances so warrant to impeach them before the Senate; and further to act as a grand jury to decide whether there is or is not good ground for proceeding against any official enjoying constitutional privileges, whenever accused of offenses of the common order.

VI. To exercise such other powers as may be expressly vested in it by this Constitution.

Art. 75. The House of Representatives, in passing the Budget, shall not fail to assign a definite compensation to every office created by law, and if for any reason such compensation shall not

be assigned, the amount fixed in the preceding Budget or in the law creating the office shall be presumed to be assigned.]

Art. 76. The Senate shall have the following exclusive powers:

I. To approve the treaties and diplomatic conventions concluded by the Executive with foreign powers.

II. To confirm the nominations made by the President of diplomatic ministers or agents, consuls general, higher officials of the treasury, colonels and other superior officers of the army and navy, in the manner and form by law provided.

III. To authorize the Executive to allow national troops to go beyond the limits of the Republic, or to permit foreign troops to pass through the national territory, and to consent to the presence of fleets of another nation for more than one month in Mexican waters.

IV. To consent to the Executive disposing of the national guard outside of the limits of its respective States or Territories, and to fix the amount of the force to be used.

V. To declare, when all the constitutional powers of any State have disappeared, that the occasion has arisen to give to the said State a provisional governor, who shall call for elections to be held according to the constitution and laws of the said State. The appointment of such a

governor shall be made by the Senate with the approval of two-thirds of its members present or during recess by the Permanent Committee by the same two-thirds majority, from among three names submitted by the President. The official thus selected shall not be chosen constitutional governor in the elections to be held under the call which he shall issue. This provision shall govern whenever the State Constitutions do not provide for the contingency.

VI. To sit as a Grand Jury to take cognizance of such official offenses of functionaries as are expressly prescribed by this Constitution.

VII. To exercise such other powers as may be expressly vested in it by this Constitution.

VIII. To adjust all political questions arising between the powers of a State whenever one of them shall appeal to the Senate or whenever by virtue of such differences a clash of arms has arisen to interrupt the constitutional order. In this event the Senate shall decide in accordance with the Federal Constitution and the Constitution of the State involved.

The exercise of this power and of the foregoing shall be regulated by law.

Art. 77. Each House may, without the intervention of the other:

I. Pass resolutions upon matters exclusively relating to its own interior government.

II. Communicate with the other House, and

with the Executive through committees appointed from among its members.

III. Appoint the employees in the office of its secretary, and make all rules and regulations for the said office.

IV. Issue a call for extraordinary elections to fill any vacancies which may occur in its membership.

SECTION IV

Of the Permanent Committee

Art. 78. During the recess of the Congress there shall be a Permanent Committee consisting of twenty-nine members, fifteen of whom shall be Representatives and fourteen Senators, appointed by the respective Houses on the eve of the day of adjournment.

Art. 79. In addition to the powers [expressly] vested in it by this Constitution, the Permanent Committee shall have the following powers:

I. To give its consent to the use of the national guard as provided in Article 76, Clause IV.

II. To administer the oath of office, should the occasion arise, to the President, to the Justices of the Supreme Court, to the Superior Judges of the Federal District and Territories, on such occasions as the latter officials may happen to be in the City of Mexico.

III. To report on all pending matters, so that they may be considered in the next session.

IV. To call extraordinary sessions in the case of official offenses or offenses of the common order committed by Secretaries of Executive Departments or Justices of the Supreme Court, and official offenses committed by State Governors, provided the case shall have been already instituted by the Committee of the Grand Jury, in which event no other business of the Congress shall be considered, nor shall the sessions be prolonged beyond the time necessary for a decision.

CHAPTER III

Of the Executive Power

Art. 80. The exercise of the supreme executive power of the Union is vested in a single individual, who shall be called "President of the United States of Mexico."

Art. 81. The election of President shall be direct, in accordance with the terms of the electoral law.

Art. 82. The President of the Republic shall have the following qualifications:

I. He shall be a Mexican citizen by birth, in the full enjoyment of his rights, and he must be the son of Mexican parents by birth.

II. He shall be over thirty-five years of age at the time of election.

III. He shall have resided in the country during the entire year prior to the election.

IV. He shall not belong to the ecclesiastical state nor be a minister of any religious creed.

V. In the event of belonging to the army, he shall have retired from active service 90 days immediately prior to the election.

VI. He shall not be a secretary or assistant secretary of any executive department, unless he shall have resigned from office 90 days prior to the election.

VII. He shall not have taken part, directly or indirectly, in any uprising, riot or military coup.

Art. 83. The President shall enter upon the duties of his office on the first day of December, shall serve four years and shall never be re-elected.

The citizen who shall replace the constitutional President in the event of his permanent disability shall not be elected President for the ensuing term.

Nor shall the person designated as Acting President during the temporary disabilities of the constitutional President be re-elected President for the ensuing term.

Art. 84. In the event of the permanent disability of the President of the Republic, if this shall

occur within the first two years of the respective term, the Congress, if in session, shall forthwith act as an electoral college, and with the attendance of at least two-thirds of its total membership shall choose a President by secret ballot and by a majority vote; and the same Congress shall issue the call for Presidential elections and shall endeavor to have the date set for this event as far as possible coincide with the date of the next election of Representatives and Senators to Congress.

Should the disability of the President occur while Congress is in recess, the Permanent Committee shall forthwith designate a President ad interim who shall call Congress together in extraordinary session, in order that it may in turn issue the call for Presidential elections in the manner provided in the foregoing paragraph.

Should the disability of the President occur in the last two years of the respective term, the Congress, if in session, shall choose the substitute to conclude the period of the presidential term; if Congress shall not be in session the Permanent Committee shall choose a President ad interim and shall summon Congress in extraordinary session, in order that it may act as an electoral college and proceed to the election of the substitute President.

The President ad interim may be chosen by Congress as substitute President.

The citizen designated as President ad interim for the purpose of calling elections, in the event

of the disability of the President within the two first years of the respective term, shall not be chosen in the elections held to fill such vacancy and for which he was designated.

Art. 85. If the President-Elect shall fail to present himself at the beginning of any constitutional term, or the election not have been held and the result made known by the first of December, the outgoing President shall nevertheless vacate office and the President ad interim chosen by the Congress, or in its recess by the Permanent Committee, shall forthwith assume the executive power. All action taken hereunder shall be governed by the provisions of the foregoing article.

In case of a temporary disability of the President, the Congress, or the Permanent Committee if the Congress shall not be in session, shall designate an Acting President during such disability. If a temporary disability shall become permanent, the action prescribed in the preceding article shall be taken.

In the event of a leave of absence granted to the President of the Republic the person acting in his stead shall not be disqualified from being elected in the ensuing period, provided he shall not have been in office during the holding of elections.

Art. 86. The President shall not resign office except for grave cause, upon which the Congress

shall pass, to which body the resignation shall be tendered.

Art. 87. The President, before entering upon the discharge of the duties of his office, shall make the following affirmation before the Congress, or in its recess before the Permanent Committee:

"I do solemnly affirm that I will defend and enforce the Constitution of the United States of Mexico and the laws arising thereunder and that I will faithfully and conscientiously perform the duties of President of the United States of Mexico, to which I have been chosen by the people, having ever in mind the welfare and prosperity of the Nation; [if I shall fail to do so, may the Nation call me to account."]

Art. 88. The President shall not absent himself from the national territory without the permission [of the Congress.]

Art. 89. The President shall have the following powers and duties:

I. To promulgate and execute the laws enacted by the Congress, providing, within the executive sphere, for their faithful observance.

II. To appoint and remove at will the Secretaries of Executive Departments, [the Attorney General of the Republic, the Governor of the Federal District, the Governors of Territories,] the Attorney General of the Federal District and

Territories; and to appoint and remove at will all other Federal employees whose appointment or removal is not otherwise provided for by law or in this Constitution.

III. To appoint, with the approval of the Senate, all ministers, diplomatic agents and consuls general.

IV. To appoint, with the approval of the Senate, the colonels and other superior officers of the army and navy and the superior officials of the treasury.

V. To appoint all other officers of the national army and navy, as by law provided.

VI. To dispose of the permanent land and sea forces for the domestic safety and foreign defense of the Union.

VII. To dispose of the national guard for the same purposes, as provided by Article 76, Clause IV.

VIII. To declare war in the name of the United States of Mexico, after the passage of the corresponding resolution by the Congress of the Union.

IX. To grant letters of marque, upon the terms and conditions fixed by the Congress.

X. To conduct diplomatic negotiations and to make treaties.

XI. To call Congress, or either of the Houses, in extraordinary session, whenever in his judgment it may be advisable.

XII. To afford the judiciary the assistance

necessary for the expeditious exercise of its functions.

XIII. To open all kinds of ports, establish maritime and frontier custom houses and designate their location.

XIV. To grant, according to law, pardons to criminals sentenced for offenses within the jurisdiction of the Federal tribunals, and to all persons sentenced for offenses of the common order in the Federal District and Territories.

XV. To grant exclusive privileges for a limited time, and according to the respective laws, to discoverers, inventors or improvers in any branch of industry.

XVI. Whenever the Senate shall not be in session the President may temporarily make the nominations enumerated in Clauses III and IV hereof, but these nominations shall be submitted to the Senate so soon as it reconvenes.

XVII. To exercise such other rights and duties as are expressly conferred upon him by this Constitution.

Art. 90. For the transaction of administrative matters of the Federal Government there shall be the number of Secretaries of Executive Departments which the Congress may by law establish, which law shall likewise assign among the various departments the several matters with which each shall be charged.

Art. 91. No person shall be appointed Secretary of an Executive Department who is not a Mexican citizen by birth, in the enjoyment of his rights and who has not attained the age of thirty years.

Art. 92. All regulations, decrees and orders of the President shall be signed by the Secretary of the Executive Department to which the matter pertains. They shall not be binding without this requisite. All regulations, decrees and orders of the President touching the government of the Federal District and the administrative departments shall be transmitted directly by the President to the Governor of the District and to the chief of the respective department.

Art. 93. The Secretaries of Executive Departments shall on the opening of each regular session report to the Congress as to the state of their respective Departments. Either House may summon a Secretary of an Executive Department to inform it, whenever a bill or other matter pertaining to his department is under discussion or consideration.

CHAPTER IV

Of the Judicial Power

Art. 94. The judicial power of the Federation is vested in a Supreme Court and in Circuit and District Courts, whose number and powers shall

be fixed by law. The Supreme Court of Justice shall consist of eleven members; its sittings shall be in banc and its hearings shall be public, except in the cases where public interest or morality shall otherwise require. It shall meet at such times and under such conditions as by law prescribed. No sittings of the court shall be held without the attendance of at least two-thirds of its total membership, and all decisions rendered shall be by a majority vote.

The Justices of the Supreme Court chosen to this office in the forthcoming elections shall serve two years; those elected at the conclusion of this first term shall serve four years, and from and after the year 1923 the Justices of the Supreme Court, the Circuit and District Judges may only be removed for malfeasance and after impeachment proceedings, unless the Circuit and District Judges be promoted to the next higher grade.

The same provision shall govern, in so far as it be applicable to the terms of two and four years, respectively, to which this article refers.

Art. 95. The Justices of the Supreme Court shall have the following qualifications:

I. They shall be Mexican citizens by birth, in the full enjoyment of their civil and political rights.

II. They shall be over thirty-five years of age at the time of election.

III. They shall be graduates in law of some

institution or corporation authorized by law to confer such degrees.

IV. They shall be of good repute and not have been convicted of any offense punishable with more than one year's imprisonment; but conviction of larceny, deceit, forgery, embezzlement or any other offense seriously impairing their good name in the public mind shall disqualify them for office, whatever may have been the penalty imposed.

V. They shall have resided in the country for the last five years, except in the case of absence due to public service abroad for a period not exceeding six months.

Art. 96. The members of the Supreme Court of Justice shall be chosen by the Congress, acting as an electoral college; the presence of at least two-thirds of the total number of Representatives and Senators shall be necessary for such action. The election shall be by secret ballot and by a majority vote, and shall be held as among the candidates previously proposed, one being nominated by each State legislature, as provided in the respective State laws.

Should no candidate receive a majority on the first ballot, the balloting shall be repeated between the two candidates receiving the highest number of votes.

Art. 97. All Circuit and District Judges shall be appointed by the Supreme Court of Justice;

they shall have such qualifications as by law required, shall serve four years and shall not be removed except by impeachment proceedings or for incapacity to discharge their duties, in accordance with the law.

The Supreme Court of Justice may remove the District Judges from one District to another, or it may fix their seats in another locality, as it may deem most advantageous to the public business. A similar procedure shall be observed in the case of Circuit Judges.

The Supreme Court of Justice may likewise appoint auxiliary Circuit and District Judges to assist in the labors of such courts as have an excessive amount of business, in order that the administration of justice may be speedy; it shall also name one or more of its members or some district or circuit judge or shall designate one or more special commissioners, whenever it shall deem it advisable or on the request of the President or of either House or of any State Governor, solely for the purpose of inquiring into the behavior of any judge or federal justice or into any fact or facts which amount to a violation of any individual rights or to the subversion of the popular will or any other offense punishable by Federal statute.

The Circuit and District Courts shall be assigned among the several Justices of the Supreme Court who shall visit them periodically,

shall observe the conduct of their judges, listen to any complaint presented against them and perform all such other acts as the law may require. The Supreme Court shall appoint and remove at will its clerk of the court and other employees on the roster established by law. The Circuit and District Judges shall likewise appoint and remove at will their respective clerks and employees.

The Supreme Court shall choose each year one of its members to act as Chief Justice, with the right of re-election.

Each Justice of the Supreme Court on assuming office shall make an affirmation before Congress, or if this is in recess, before the Permanent Committee, as follows:

The Presiding Officer shall say: "Do you promise to perform faithfully and conscientiously the duties of Justice of the Supreme Court with which you have been charged, and to defend and enforce the Constitution of the United States of Mexico and the laws arising thereunder, having ever in mind the welfare and prosperity of the Nation?" To which the Justice shall reply, "I do." On which the Presiding Officer shall answer: "If you fail to do so, may the Nation call you to account."

The Circuit and District Judges shall make the affirmation of office before the Supreme Court or before such other authority as the law may determine.

Art. 98. No temporary disability of a Justice of the Supreme Court not exceeding one month shall be filled, provided there be otherwise a quorum. In the absence of a quorum the Congress, or in its recess the Permanent Committee, shall name a substitute selected from among the candidates submitted by the States for the election of the justice in question and not chosen, to serve during such disability. If the disability does not exceed two months, the Congress, or during its recess the Permanent Committee, shall choose at will a temporary justice.

In the event of the death, resignation or disqualification of any justice of the Supreme Court, a new election shall be held by the Congress to fill this vacancy as provided in Article 96.

If the Congress shall not be in session, the Permanent Committee shall make a temporary appointment until such time as the Congress shall convene and proceed to the corresponding election.

Art. 99. The resignation of a justice of the Supreme Court shall only be accepted for grave cause, approved by the Congress, to whom the resignation shall be tendered. In the recesses of the Congress the power to act on this matter belongs to the Permanent Committee.

Art. 100. The Supreme Court shall grant all leaves of absence of its members, when they do

not exceed one month; such as do exceed this period shall be granted by the House of Representatives, or during its recess by the Permanent Committee.

Art. 101. No Justice of the Supreme Court, Circuit or District Judge, nor clerk of any of these courts shall under any circumstances accept any State, Federal or private commission or office, excepting honorary titles from scientific, literary or charitable associations. The violation of this provision shall work a forfeiture of office.

Art. 102. The office of the Public Attorney shall be organized in accordance with the law, and its officers shall be appointed and removed at will by the Executive. They shall be under the direction of an Attorney General who shall possess the same qualifications as are required for the office of Justice of the Supreme Court.

The Public Attorneys shall be charged with the judicial prosecution of all Federal offenses; they shall accordingly sue out all orders of arrest, assemble and offer all evidence as to the responsibility of the accused, see that the trials are conducted in due order so that the administration of justice may be speedy, pray the imposition of sentence, and in general take part in all matters required by law.

The Attorney General of the Republic shall personally intervene in matters to which the Federal

Government is a party, in cases affecting ministers, diplomatic agents and consuls general, and in all controversies between two or more States of the Union, between the Federal Government and a State or between the several powers of a State. The Attorney General may either personally or through one of the Public Attorneys take part in all other cases in which the Public Attorneys are called upon to act.

The Attorney General shall be the legal advisor of the Government, and both he and the Public Attorneys under his orders shall faithfully obey the law and shall be liable for all breaches or for any violations which they may incur in the discharge of their duties.

Art. 103. The Federal tribunals shall take cognizance of:

I. All controversies arising out of laws or acts of the authorities which shall infringe any personal guarantees.

II. All controversies arising out of laws or acts of the federal authorities which limit or encroach upon the sovereignty of the States.

III. All controversies arising out of laws or acts of the State authorities which invade the sphere of the Federal authorities.

Art. 104. The Federal Tribunals shall have jurisdiction over:

I. All controversies of a civil or criminal na-

ture arising out of the application and enforcement of the Federal laws, or out of treaties concluded with foreign powers. Whenever such controversies affect only private rights, the regular local courts of the States, the Federal District and Territories shall, at the election of the plaintiff, assume jurisdiction. Appeal may be had from all judgments of first instance to the next higher tribunal of the same court in which the case was first heard. Appeal may be taken from sentences of second instance to the Supreme Court of Justice, which appeal shall be prepared, submitted and prosecuted, in accordance with the procedure provided by law.

II. All cases pertaining to admiralty law.

III. All cases to which the Federation may be a party.

IV. All cases arising between two or more States, or between any State and the Federal Government, as well as those arising between the courts of the Federal District and those of the Federal Government or of a State.

V. All cases arising between a State and one or more citizens of another State.

VI. All cases concerning diplomatic agents and consuls.

Art. 105. The Supreme Court of Justice shall have exclusive jurisdiction in all controversies arising between two or more States, between the powers of government of any State as to the con-

stitutionality of their acts, or between one or more States and the Federal Government, and in all cases to which the Federal Government may be a party.

Art. 106. The Supreme Court of Justice shall likewise have exclusive jurisdiction to determine all questions of jurisdiction between the Federal tribunals, between these and those of the States, or between those of one State and those of another.

Art. 107. All controversies mentioned in Article 103 shall be prosecuted by the injured party in accordance with the judicial forms and procedure which the law shall establish, subject to the following conditions:

I. The judgment shall always be so drawn as to affect exclusively private individuals, and shall confine itself to affording them redress in the special case to which the complaint refers; but it shall make no general statement as to the law or the act that may have formed the basis for the complaint.

II. In civil or penal suits, excepting those mentioned in Clause IX hereof, the writ of "amparo" shall issue only against final judgments when no other ordinary recourse is available by which these judgments may be modified or amended, if the violation of the law shall have occurred in the judgment, or if, although committed during the course of the trial, objection was duly noted and

protest entered against the denial of reparation, and provided further that if committed in first instance it shall have been invoked in second instance as a violation of the law.

Notwithstanding the foregoing provision, the Supreme Court may in penal cases waive any defects in the petition when there has been a manifest violation of the law which has left the petitioner without recourse, or when he has been tried by a law not strictly applicable to the case, provided failure to take advantage of this violation has been merely an oversight.

III. In civil or penal suits the writ of "amparo" shall issue only if substantial portions of the rules of procedure have been violated, and provided further that the said violation shall deprive the petitioner of means of defense.

IV. In addition to the case mentioned in the foregoing paragraph, the writ of "amparo" shall issue only on a final judgment in a civil suit,—provided the requirements set forth in Clause II hereof have been complied with,—when the judgment shall be contrary to the letter of the law applicable to the case or contrary to its legal interpretation, when it includes persons, actions, defenses, or things which have not been the object of the suit, or finally when all these have not been included either through omission or express refusal.

When the writ of "amparo" is sought against mesne judgments, in accordance with the provi-

sions of the foregoing clause, these rules shall be observed, as far as applicable.

V. In penal suits, the authorities responsible for the violation shall stay the execution of final judgment against which the writ of "amparo" has been sought; for this purpose the petitioner shall, within the period set by law, give notice, under oath, to the said authorities of the interposition of this recourse, accompanying it with two copies of the petition, one of which shall be delivered to the opposing party and the other filed.

VI. The execution of a final judgment in civil suits shall only be stayed when the petitioner shall give bond to cover damages occasioned thereby, unless the other party shall give a counter bond (1) to guarantee that the normal conditions and relations previously existing be restored, and (2) to pay the corresponding damages, in the event of the granting of the "amparo." In such event the interposition of the recourse of "amparo" shall be communicated as provided in the foregoing clause.

VII. If a writ of "amparo" be sought against a final judgment, a certified copy of such portions of the record as the petitioner may desire shall be requested from the authority responsible for the violation; to this there shall be added such portions as the other party may desire and a clear and succinct statement by the said authority of the justification of the act protested; note shall be made of this on the record.

VIII. When a writ of "amparo" is sought against a final judgment, the petition shall be brought before the Supreme Court; this petition, together with the copy required by Clause VII, shall be either presented to the Supreme Court or sent through the authority responsible for the violation or through the District Court of the corresponding State. The Supreme Court shall render judgment without any other formality or procedure than the petition, the document presented by the other party and that of the Attorney General or the Public Attorney he may name in his stead, and shall comprise no other legal question than that contained in the complaint.

IX. When the acts of an authority other than the judicial are involved or the acts of the judiciary exercised outside of the suit or after the termination thereof, or acts committed during the suit whose execution is of impossible reparation, or which affect persons not parties to the suit, the writ of "amparo" shall be sought before the District Court within whose jurisdiction is located the place where the act protested was committed or attempted; the procedure in this case shall be confined to the report of the authority and to a hearing, the call for which shall be issued in the same order of the court as that calling for the report. This hearing shall be held at as early a date as possible, the testimony of both parties offered, arguments heard which shall not exceed one hour for each side, and finally the judgment

which shall be pronounced at the same hearing. The judgment of the District Court shall be final, if the interested parties do not appeal to the Supreme Court within the period set by law and in the manner prescribed by Clause VIII.

In case of a violation of the guarantees of Articles 16, 19 and 20, recourse shall be had through the appellate court of the court committing the breach or to the corresponding District Court. An appeal against the decision of any of these courts may be taken to the Supreme Court.

If the district judge shall not reside in the same locality as the official guilty of the violation, the judge before whom the petition of "amparo" shall be submitted shall be determined by law; this judge shall be authorized to suspend temporarily the execution of the act protested, in accordance with the terms established by law.

X. Any official failing to suspend the execution of the act protested, when in duty bound to do so, or when he admits an insufficient or improper bond, shall be turned over to the proper authorities; the civil and penal liability of the official shall in these cases be a joint liability with the person offering the bond and his surety.

XI. If after the granting of an "amparo," the guilty official shall persist in the act or acts against which the petition of "amparo" was filed, or shall seek to render of no effect the judgment of the Federal authority, he shall be forthwith

removed from office and turned over for trial to the corresponding district court.

XII. Wardens and jailers who fail to receive a duly certified copy of the formal order of commitment within the seventy-two hours granted by Article 19, reckoned from the time the accused is placed at the disposal of the court, shall bring this fact to the attention of the court, immediately upon expiration of this period; and if the proper order be not received within the next three hours the accused shall be set at liberty.

Any official who shall violate this provision and the article referred to in the foregoing paragraph shall be immediately turned over to the proper authorities. Any official or agent thereof who, after an arrest has been made, shall fail to place the accused at the disposition of the court within the next twenty-four hours shall himself be turned over to the proper authority.

If the detention be effected outside the locality in which the court is situated, there shall be added to the period mentioned in the preceding sentence the time necessary to travel from the said locality to that where the detention took place.

Title IV

Of the Responsibility of Officials

Art. 108. Senators and Representatives of Congress, Justices of the Supreme Court, Secretaries of Executive Departments and the Attorney

General of the Republic shall be liable for all common offenses committed during their term of office, as well as for all official offenses or acts of commission or omission in which they may incur in the discharge of their duties.

Governors of States and members of State Legislatures shall be liable for violation of the Constitution and the Federal Laws.

The President of the Republic may only be impeached during his term of office for high treason and common offenses of a serious character.

Art. 109. If the offense belongs to the common order the House of Representatives, acting as a grand jury, shall determine by a majority vote of its total membership whether there is or is not any ground for proceeding against the accused.

If the finding be favorable to the accused, no further action shall be taken; but such finding shall not be a bar to the prosecution of the charge so soon as the constitutional privilege shall cease, since the finding of the House does not in any way determine the merits of the charge.

If the finding be adverse, the accused shall ipso facto be removed from office and be placed at the disposition of the ordinary courts of justice, except in the case of the President of the Republic, who may only be impeached before the Senate, as in the case of an official offense.

Art. 110. No constitutional privilege shall be extended to any high Federal functionary when

tried for official offenses, misdemeanors, or omissions committed by him in the discharge of any public function or commission, during the time in which, according to law, the privilege is enjoyed. This provision shall be applicable to cases of common offenses committed under the same circumstances. In order that the proceedings may be instituted when the functionary returns to the exercise of his own functions, the rules set forth in Article 104 of the Constitution shall be observed.

Art. 111. The Senate acting as a grand jury shall try all cases of impeachment: but it may not institute such proceedings without a previous accusation brought by the House of Representatives.

If the Senate should, after hearing the accused and conducting such proceedings as it may deem advisable, determine by a majority vote of two-thirds of its total membership that the accused is guilty, the latter shall be forthwith removed from office by virtue of such decision, or be disqualified from holding any other office for such time as the law may determine.

When the same offense is punishable with an additional penalty, the accused shall be placed at the disposition of the regular authorities who shall judge and sentence him in accordance with the law.

In all cases embraced by this article and in those included by the preceding both the decisions of

the Grand Jury and the findings of the House of Representatives shall be final.

Any person shall have the right to denounce before the House of Representatives offenses of a common order or of an official character committed by high Federal functionaries; and whenever the said House of Representatives shall determine that there exist good grounds for impeachment proceedings before the Senate, it shall name a committee from among its own members to sustain the charges brought.

The Congress shall as soon as possible enact a law as to the responsibility of all Federal officials and employees which shall fix as official offenses all acts, of commission or omission, which may prejudice the public interest and efficient administration, even though such acts may not heretofore have been considered offenses. These officials shall be tried by a jury in the same manner as provided for trials by jury in Article 20.

Art. 112. No pardon shall be granted the offender in cases of impeachment.

Art. 113. The responsibility for official breaches and offenses may only be enforced during such time as the functionary shall remain in office and for one year thereafter.

Art. 114. In civil cases no privilege or immunity in favor of any public functionary shall be recognized.

TITLE V

Of the States of the Federation

Art. 115. The States shall adopt for their internal government the popular, representative, republican form of government; they shall have as the basis of their territorial division and political and administrative organization the free municipality, in accordance with the following provisions:

I. Each municipality shall be administered by a town council chosen by direct vote of the people, and no authority shall intervene between the municipality and the State Government.

II. The municipalities shall freely administer their own revenues which shall be derived from the taxes fixed by the State Legislatures which shall at all times be sufficient to meet their needs.

III. The municipalities shall be regarded as enjoying corporate existence for all legal purposes.

The Federal Executive and the State Governors shall have command over all public forces of the municipalities wherein they may permanently or temporarily reside.

Constitutional State Governors shall not be reelected, nor shall their term of office exceed four years.

The prohibitions of Article 83 are applicable to substitute or ad interim governors.

The number of Representatives in the State Legislatures shall be in proportion to the inhabitants of each State, but in no case shall the number of representatives in any State Legislature be less than fifteen.

Each electoral district of the States shall choose a Representative and an alternate to the State Legislature.

Every State Governor shall be a Mexican citizen by birth and a native thereof, or resident therein not less than five years immediately prior to the day of election.

Art. 116. The States shall have the power to fix among themselves, by friendly agreements, their respective boundaries; but these agreements shall not be carried into effect without the approval of the Congress.

Art. 117. No State shall—

I. Enter into alliances, treaties or coalitions with another State or with foreign powers.

II. Grant letters of marque or reprisal.

III. Coin money, issue paper money, stamps or stamped paper.

IV. Levy taxes on persons or property passing through its territory.

V. Prohibit or tax, directly or indirectly, the entry into its territory, or the withdrawal therefrom, of any merchandise, foreign or domestic.

VI. Burden the circulation or consumption of

domestic or foreign merchandise with taxes or duties to be collected by local custom houses or subject to inspection the said merchandise or require it to be accompanied by documents.

VII. Enact or maintain in force laws or fiscal regulations discriminating, by taxation or otherwise, between merchandise, foreign or domestic, on account of its origin, whether this discrimination be established with regard to similar local products or to similar products of foreign origin.

Art. 118. No State shall, without the consent of the Congress:

I. Establish tonnage dues or other port charges, or impose taxes or other duties upon imports or exports.

II. Keep at any time permanent troops or vessels of war.

Art. 119. Every State shall be bound to deliver without delay to the demanding authorities the fugitives from justice from other States or from foreign nations.

In such cases the writ of the court granting the extradition shall operate as a sufficient warrant for the detention of the accused for one month, in the case of extradition from one State to another, and for two months in the case of international extradition.

Art. 120. The State Governors are bound to publish and enforce the Federal laws.

Art. 121. Full faith and credit shall be given in each State of the Federation to the public acts, records and judicial proceedings of all the other States. The Congress shall by general laws prescribe the manner of proving the said acts, records and proceedings and the effect thereof.

I. The laws of a State shall only be binding within its own confines, and shall therefore have no extra-territorial force.

II. Movable and immovable property shall be governed by the lex sitae.

III. Judgments of a State court as to property and property rights situated in another State shall only be binding when expressly so provided by the law of the latter State.

Judgments relating to personal rights shall only be binding in another State provided the person shall have expressly, or impliedly by reason of domicile, submitted to the jurisdiction of the court rendering such judgment, and provided further that personal service shall have been secured.

IV. All acts of civil status performed in accordance with the laws of one State shall be binding in all other States.

V. All professional licenses issued by the authorities of one State in accordance with its laws shall be valid in all other States.

Art. 122. The Powers of the Union are bound to protect the States against all invasion or external violence. In case of insurrection or internal

disturbance they shall give them the same protection, provided the Legislature of the State, or the Executive thereof if the Legislature is not in session, shall so request.

Title VI

Of Labor and Social Welfare

Art. 123. The Congress and the State Legislatures shall make laws relative to labor with due regard for the needs of each region of the Republic, and in conformity with the following principles, and these principles and laws shall govern the labor of skilled and unskilled workmen, employees, domestic servants and artisans, and in general every contract of labor.

I. Eight hours shall be the maximum limit of a day's work.

II. The maximum limit of night work shall be seven hours. Unhealthy and dangerous occupations are forbidden to all women and to children under sixteen years of age. Night work in factories is likewise forbidden to women and to children under sixteen years of age; nor shall they be employed in commercial establishments after ten o'clock at night.

III. The maximum limit of a day's work for children over twelve and under sixteen years of age shall be six hours. The work of children under twelve years of age shall not be made the subject of a contract.

IV. Every workman shall enjoy at least one day's rest for every six days' work.

V. Women shall not perform any physical work requiring considerable physical effort during the three months immediately preceding parturition; during the month following parturition they shall necessarily enjoy a period of rest and shall receive their salaries or wages in full and retain their employment and the rights they may have acquired under their contracts. During the period of lactation they shall enjoy two extraordinary daily periods of rest of one-half hour each, in order to nurse their children.

VI. The minimum wage to be received by a workman shall be that considered sufficient, according to the conditions prevailing in the respective region of the country, to satisfy the normal needs of the life of the workman, his education and his lawful pleasures, considering him as the head of a family. In all agricultural, commercial, manufacturing or mining enterprises the workmen shall have the right to participate in the profits in the manner fixed in Clause IX of this article.

VII. The same compensation shall be paid for the same work, without regard to sex or nationality.

VIII. The minimum wage shall be exempt from attachment, set-off or discount.

IX. The determination of the minimum wage and of the rate of profit-sharing described in Clause VI shall be made by special commissions to

be appointed in each municipality and to be subordinated to the Central Board of Conciliation to be established in each State.

X. All wages shall be paid in legal currency and shall not be paid in merchandise, orders, counters or any other representative token with which it is sought to substitute money.

XI. When owing to special circumstances it becomes necessary to increase the working hours, there shall be paid as wages for the overtime one hundred per cent more than those fixed for regular time. In no case shall the overtime exceed three hours nor continue for more than three consecutive days; and no women of whatever age nor boys under sixteen years of age may engage in overtime work.

XII. In every agricultural, industrial, mining or other class of work employers are bound to furnish their workmen comfortable and sanitary dwelling-places, for which they may charge rents not exceeding one-half of one per cent per month of the assessed value of the properties. (See Art. 27, Clause VII, second paragraph.) They shall likewise establish schools, dispensaries and other services necessary to the community. If the factories are located within inhabited places and more than one hundred persons are employed therein, the first of the above-mentioned conditions shall be complied with.

XIII. Furthermore, there shall be set aside in these labor centers, whenever their population

exceeds two hundred inhabitants, a space of land not less than five thousand square meters for the establishment of public markets, and the construction of buildings designed for municipal services and places of amusement. No saloons nor gambling houses shall be permitted in such labor centers.

XIV. Employers shall be liable for labor accidents and occupational diseases arising from work; therefore, employers shall pay the proper indemnity, according to whether death or merely temporary or permanent disability has ensued, in accordance with the provisions of law. This liability shall remain in force even though the employer contract for the work through an agent.

XV. Employers shall be bound to observe in the installation of their establishments all the provisions of law regarding hygiene and sanitation and to adopt adequate measures to prevent accidents due to the use of machinery, tools and working materials, as well as to organize work in such a manner as to assure the greatest guarantees possible for the health and lives of workmen compatible with the nature of the work, under penalties which the law shall determine.

XVI. Workmen and employers shall have the right to unite for the defense of their respective interests, by forming syndicates, unions, etc.

XVII. The law shall recognize the right of workmen and employers to strike and to lockout.

XVIII. Strikes shall be lawful when by the

employment of peaceful means they shall aim to bring about a balance between the various factors of production, and to harmonize the rights of capital and labor. In the case of public services, the workmen shall be obliged to give notice ten days in advance to the Board of Conciliation and Arbitration of the date set for the suspension of work. Strikes shall only be considered unlawful when the majority of the strikers shall resort to acts of violence against persons or property, or in case of war when the strikers belong to establishments and services dependent on the government. Employees of military manufacturing establishments of the Federal Government shall not be included in the provisions of this clause, inasmuch as they are a dependency of the national army.

XIX. Lockouts shall only be lawful when the excess of production shall render it necessary to shut down in order to maintain prices reasonably above the cost of production, subject to the approval of the Board of Conciliation and Arbitration.

XX. Differences or disputes between capital and labor shall be submitted for settlement to a board of conciliation and arbitration to consist of an equal number of representatives of the workmen and of the employers and of one representative of the Government.

XXI. If the employer shall refuse to submit his differences to arbitration or to accept the award rendered by the Board, the labor contract

shall be considered as terminated, and the employer shall be bound to indemnify the workman by the payment to him of three months' wages, in addition to the liability which he may have incurred by reason of the dispute. If the workman reject the award, the contract will be held to have terminated.

XXII. An employer who discharges a workman without proper cause or for having joined a union or syndicate or for having taken part in a lawful strike shall be bound, at the option of the workman, either to perform the contract or to indemnify him by the payment of three months' wages. He shall incur the same liability if the workman shall leave his service on account of the lack of good faith on the part of the employer or of maltreatment either as to his own person or that of his wife, parents, children or brothers or sisters. The employer cannot evade this liability when the maltreatment is inflicted by subordinates or agents acting with his consent or knowledge.

XXIII. Claims of workmen for salaries or wages accrued during the past year and other indemnity claims shall be preferred over any other claims, in cases of bankruptcy or composition.

XXIV. Debts contracted by workmen in favor of their employers or their employers' associates, subordinates or agents, may only be charged against the workmen themselves and in no case and for no reason collected from the members of his family. Nor shall such debts be paid by the

taking of more than the entire wages of the workman for any one month.

XXV. No fee shall be charged for finding work for workmen by municipal offices, employment bureaus or other public or private agencies.

XXVI. Every contract of labor between a Mexican citizen and a foreign principal shall be legalized before the competent municipal authority and viséed by the consul of the nation to which the workman is undertaking to go, on the understanding that, in addition to the usual clauses, special and clear provisions shall be inserted for the payment by the foreign principal making the contract of the cost to the laborer of repatriation.

XXVII. The following stipulations shall be null and void and shall not bind the contracting parties, even though embodied in the contract:

(a) Stipulations providing for inhuman day's work on account of its notorious excessiveness, in view of the nature of the work.

(b) Stipulations providing for a wage rate which in the judgment of the Board of Conciliation and Arbitration is not remunerative.

(c) Stipulations providing for a term of more than one week before the payment of wages.

(d) Stipulations providing for the assigning of places of amusement, eating places, cafés, taverns, saloons or shops for the payment of wages, when employees of such establishments are not involved.

(e) Stipulations involving a direct or indirect

obligation to purchase articles of consumption in specified shops or places.

(f) Stipulations permitting the retention of wages by way of fines.

(g) Stipulations constituting a waiver on the part of the workman of the indemnities to which he may become entitled by reason of labor accidents or occupational diseases, damages for breach of contract, or for discharge from work.

(h) All other stipulations implying the waiver of any right vested in the workman by labor laws.

XXVIII. The law shall decide what property constitutes the family patrimony. These goods shall be inalienable and shall not be mortgaged, nor attached, and may be bequeathed with simplified formalities in the succession proceedings.

XXIX. Institutions of popular insurance* established for old age, sickness, life, unemployment, accident and others of a similar character, are considered of social utility; the Federal and State Governments shall therefore encourage the organization of institutions of this character in order to instill and inculcate popular habits of thrift.

XXX. Coöperative associations for the construction of cheap and sanitary dwelling houses for workmen shall likewise be considered of social utility whenever these properties are designed to

* In the desire to adhere as closely as possible to the original, the term "popular insurance" has been used. It would seem, however, that in making use of the expression "*Seguros Populares*," it was intended to convey the full connotation of the term "Social Insurance." (See "Social Insurance," Seager, 1910.)

be acquired in ownership by the workmen within specified periods.

Title VII

Of General Provisions

Art. 124. All powers not expressly vested by this Constitution in the Federal authorities are understood to be reserved to the States.

Art. 125. No person shall hold at the same time two Federal offices or one Federal and one State elective office; if elected to two, he shall choose between them.

Art. 126. No payment shall be made which is not included in the Budget or authorized by a law subsequent to the same.

Art. 127. The President of the Republic, the Justices of the Supreme Court, Representatives and Senators and other public officials of the Federation who are chosen by popular election shall receive a compensation for their services, which shall be paid by the Federal Treasury and determined by law. This compensation may not be waived, and any law increasing or decreasing it shall have no effect during the period for which the functionary holds office.

Art. 128. Every public official, without exception, shall, before entering on the discharge of his

duties, make an affirmation to maintain this constitution and the laws arising thereunder.

Art. 129. In time of peace no military authorities shall exercise other functions than those bearing direct relation to military discipline. No permanent military posts shall be established other than in castles, forts and arsenals depending directly upon the Federal Government, or in camps, barracks, or depots, established outside of inhabited places for the stationing of troops.

Art. 130. The Federal authorities shall have power to exercise in matters of religious worship and outward ecclesiastical forms such intervention as by law authorized. All other officials shall act as auxiliaries to the Federal authorities.

The Congress shall not enact any law establishing or forbidding any religion whatsoever.

Marriage is a civil contract. Marriage and all other acts relating to the civil status of individuals shall appertain to the exclusive jurisdiction of the civil authorities in the manner and form by law provided, and they shall have the force and validity given them by said laws.

A simple promise to tell the truth and to comply with obligations contracted shall subject the promisor, in the event of a breach, to the penalties established therefor by law.

The law recognizes no juridicial personality in the religious institutions known as churches.

Ministers of religious creeds shall be considered as persons exercising a profession, and shall be directly subject to the laws enacted on the matter.

The State legislatures shall have the exclusive power of determining the maximum number of ministers of religious creeds, according to the needs of each locality. Only a Mexican by birth may be a minister of any religious creed in Mexico.

No ministers of religious creeds shall, either in public or private meetings, or in acts of worship or religious propaganda, criticise the fundamental laws of the country, the authorities in particular or the Government in general; they shall have no vote, nor be eligible to office, nor shall they be entitled to assemble for political purposes.

Before dedicating new temples of worship for public use, permission shall be obtained from the Department of the Interior (Gobernacion); the opinion of the Governor of the respective State shall be previously heard on the subject. Every place of worship shall have a person charged with its care and maintenance, who shall be legally responsible for the faithful performance of the laws on religious observances within the said place of worship, and for all the objects used for purposes of worship.

The caretaker of each place of public worship, together with ten citizens of the place, shall promptly advise the municipal authorities as to the person charged with the care of the said place of worship. The outgoing minister shall in every

instance give notice of any change, for which purpose he shall be accompanied by the incoming minister and ten other citizens of the place. The municipal authorities, under penalty of dismissal and fine, not exceeding 1,000 pesos for each breach, shall be responsible for the exact performance of this provision; they shall keep a register of the places of worship and another of the caretakers thereof, subject to the same penalty as above provided. The municipal authorities shall likewise give notice to the Department of the Interior through the State Governor, of any permission to open to the public use a new place of worship, as well as of any change in the caretakers. Gifts of personalty may be received in the interior of places of public worship.

Under no conditions shall studies carried on in institutions devoted to the professional training of ministers of religious creeds be given credit or granted any other dispensation of privilege which shall have for its purpose the accrediting of the said studies in official institutions. Any authority violating this provision shall be punished criminally, and all such dispensation of privilege be null and void, and shall invalidate wholly and entirely the professional degree toward the obtaining of which the infraction of this provision may in any way have contributed.

No periodical publication which either by reason of its program, its title or merely by its general tendencies, is of a religious character, shall

comment upon any political affairs of the nation, nor publish any information regarding the acts of the authorities of the country or of private individuals, in so far as the latter have to do with public affairs.

Every kind of political association whose name shall bear any word or any indication relating to any religious belief is hereby strictly forbidden. No assemblies of any political character shall be held within places of public worship.

No minister of any religious creed may inherit, either on his own behalf or by means of a trustee or otherwise, any real property occupied by any association of religious propaganda or religious or charitable purposes. Ministers of religious creeds are incapable legally of inheriting by will from ministers of the same religious creed or from any private individual to whom they are not related by blood within the fourth degree.

All real and personal property pertaining to the clergy or to religious institutions shall be governed, in so far as their acquisition by private parties is concerned, in conformity with Article 27 of this Constitution.

No trial by jury shall ever be granted for the infraction of any of the preceding provisions.

Art. 131. The Federal Government shall have exclusive power to levy duties on merchandise imported, exported or passing in transit through the national territory, as well as to regulate at

all times, and if necessary to forbid for the sake of public safety or for police reasons, the circulation in the interior of the Republic of all kinds of goods, regardless of their origin; but the Federal Government shall have no power to establish or decree in the Federal District and Territories the taxes and laws to which Clauses VI and VII of Article 117 refer.

Art. 132. All forts, barracks, warehouses, and other real property, destined by the Federal Government for public service or common use, shall be under the jurisdiction of the Federal authorities, in accordance with the law which the Congress shall issue on the subject; any of these establishments which may subsequently be acquired within the territory of any State shall likewise be subject to Federal jurisdiction, provided consent thereto shall have been obtained from the respective State legislature.

Art. 133. This Constitution and the laws of the United States of Mexico which shall be made in pursuance hereof and all treaties made or which shall be made under the authority of the President of the Republic, with the approval of the Congress, shall be the supreme law of the land. And the judges in every State shall be bound by this Constitution and by these laws and treaties, anything in the Constitution or laws of any State to the contrary notwithstanding.

Art. 134. Bids shall be called for on all contracts which the Government may have occasion to enter into for the execution of any public works; these bids shall be submitted under seal and shall only be opened publicly.

Title VIII

Of the Amendments to the Constitution

Art. 135. The present Constitution may be added to or amended. No amendment or addition shall become part of the Constitution until agreed to by the Congress of the Union by a two-thirds vote of the members present and approved by a majority of the State legislatures. The Congress shall count the votes of the legislatures and make the declaration that the amendments or additions have been adopted.

Title IX

Of the Inviolability of the Constitution

Art. 136. This Constitution shall not lose its force and vigor, even though its observance be interrupted by rebellion. In case that through any public disturbance a Government contrary to the principles which it sanctions be established, its force shall be restored so soon as the people shall regain their liberty, and those who have participated in the Government emanating from the

rebellion or have coöperated with it shall be tried in accordance with its provisions and with the laws arising under it.

TRANSITORY ARTICLES

Article 1. This Constitution shall be published at once and a solemn affirmation made to defend and enforce it throughout the Republic; but its provisions, except those relating to the election of the supreme powers, Federal and State, shall not go into effect until the first day of May, 1917, at which time the Constitutional Congress shall be solemnly convened and the oath of office taken by the citizen chosen at the forthcoming elections to discharge the duties of President of the Republic.

The provisions of Clause V of Article 82 shall not be applicable in the elections to be called in accordance with Article 2 of the Transitory Articles, nor shall active service in the army act as a disqualification for the office of representative or senator, provided the candidate shall not have active command of troops in the respective electoral district.

Nor shall the secretaries nor assistant secretaries of executive departments be disqualified from election to the next Federal Congress, provided they shall definitively resign from office on or before the day on which the respective call is issued.

Art. 2. The person charged with the executive power of the Nation shall immediately, upon the publication of this Constitution, call for elections to fill the Federal offices; he shall see that these elections be held so that Congress may be constituted within a reasonable time, in order that it may count the votes cast in the presidential elections and make known the name of the person who has been elected President of the Republic; this shall be done in order that the provisions of the foregoing article may be complied with.

Art. 3. The next constitutional term shall be computed, in the case of Senators and Representatives, from the first of September last, and in the case of the President of the Republic, from the first of December, 1916.

Art. 4. Senators who in the coming election shall be classified as "even" shall serve only two years, in order that the Senate may be renewed by half every two years.

Art. 5. The Congress shall in the month of May next choose the Justices of the Supreme Court in order that this tribunal may be constituted on the first day of June, 1917.

In these elections, Article 96 shall not govern in so far as the candidates proposed by the State Legislatures are concerned; but those chosen shall be designated for the first term of two years prescribed by Article 94.

Art. 6. The Congress shall meet in extraordinary session on the fifteenth day of April, 1917,

to act as an electoral college, for the computing of the ballots and the determination of the election of President of the Republic, at which time it shall make known the results; it shall likewise enact the organic law of the Circuit and District Courts, the organic law of the Tribunals of the Federal District and Territories, in order that the Supreme Court of Justice may immediately appoint the Inferior and Superior District and Circuit Judges; at the same session the Congress shall choose the Superior Judges and Judges of First Instance of the Federal District and Territories, and shall also enact all laws submitted by the Executive. The Circuit and District Judges and the Superior and Inferior Judges of the Federal District and Territories shall take office not later than the first day of July, 1917, at which time such as shall have been temporarily appointed by the person now charged with the executive power of the nation shall cease to act.

Art. 7. For this occasion only, the votes for the office of Senator shall be counted by the Board of the First Electoral District of each State or of the Federal District which shall be instituted for the counting of the votes of Representatives. This Board shall issue the respective credentials to the Senators-elect.

Art. 8. The Supreme Court shall decide all pending petitions of "amparo," in accordance with the laws at present in force.

Art. 9. The First Chief of the Constitutionalist

Army, charged with the executive power of the Nation, is hereby authorized to issue the electoral law according to which, on this occasion, the elections to fill the various Federal offices shall be held.

Art. 10. All persons who shall have taken part in the Government emanating from the rebellion against the legitimate government of the Republic, or who may have given aid to the said rebellion and later taken up arms or held any office or commission of the factions which have opposed the constitutionalist government, shall be tried in accordance with the laws at present in force, unless they shall have been previously pardoned by the said constitutionalist government.

Art. 11. Until such time as the Congress of the Union and the State Legislatures shall legislate on the agrarian and labor problems, the bases established by this Constitution for the said laws shall be put into force throughout the Republic.

Art. 12. All Mexicans who shall have fought in the ranks of the constitutionalist army and their children and widows and all other persons who shall have rendered service to the cause of the revolution, or to public instruction, shall be preferred in the acquisition of lots to which Article 27 refers, and shall be entitled to such rebates as the law shall determine.

Art. 13. All debts contracted by working men on account of work up to the date of this Constitution with masters, their subordinates and agents,

are hereby declared wholly and entirely discharged.

Art. 14. The Departments of Justice and of Public Instruction and Fine Arts are hereby abolished.

Art. 15. The citizen at present charged with the executive power is hereby authorized to issue the law of civil responsibility applicable to all promoters, accomplices and abettors of the offenses committed against the constitutional order in the month of February, 1913, and against the Constitutionalist Government.

Art. 16. The Constitutional Congress in the regular period of sessions, to begin on the first day of September of the present year, shall issue all the organic laws of the Constitution which may not have been already issued in the extraordinary session to which Transitory Article number 6 refers; and it shall give preference to the laws relating to personal guarantees and to Articles 30, 32, 33, 35, 36, 38, 107 and the latter part of Article 111 of this Constitution.

Signed at Querétaro de Arteaga, January 31, 1917.

APPENDIX C

A STATEMENT REGARDING THE MEXICAN RAILWAYS

The Mexican News Bureau in Washington recently sent to the newspapers of the United States propaganda notes attempting to disprove statements made in articles of mine which appeared in the *Saturday Evening Post.*

Copies of these "News Notes" follow:

NEWS NOTES FROM MEXICAN NEWS BUREAU, 613 RIGGS BLDG., WASHINGTON, D. C., THURSDAY, OCTOBER 11, 1917

Railroad Repairs and Recognition

Those who are acquainted with the condition in Mexico and who have followed the steady march of events in that country during the past six or seven years, have been surprised at some recent statements appearing in the *Saturday Evening Post* of October 6, by Carl W. Ackerman, regarding that country. One is to the effect that: "For seven years practically no repairs have been made on any of the railway lines—either those owned by the Government or those owned abroad and operated by the authorities."

As a matter of fact, *nothing could be further from the truth* than this assertion. Repairs to *all the lines* in the Republic have been prosecuted diligently and zealously even during the worst periods of the revolution, and it has been unanimously conceded by foreigners who have travelled over the various lines, government as well as private ones, that their condition compares most favourably with lines in the United States—is, indeed, well up to the standard in such matters. Bridges have been rebuilt, tracks relaid and reballasted, and except for the presence of an occasional pile of bent and twisted rails or of iron work from burned cars by the side of the track, one might well believe he were travelling over one of the best roads in the United States. It is true, many stations were burned during the troubles, but as a rule these were of the poorer class. The fine edifices at Ciudad Juarez, Chihuahua, Hermosillo, Saltillo, San Luis Potosi, Querétaro, Guadalajara, Colima, Vera Cruz, Orizaba, Cordoba, Puebla, one (a stone structure) at Monterey, those in Mexico City, as well as many others, in fact all the best ones in the Republic, were not injured in the least. Most of those that were damaged have been repaired and constant work in this direction is being prosecuted. All these facts are well known to travellers in the Republic and should have been known to the *Post's* correspondent, as they are apparent to all.

So, too, with the rolling stock. The various rail-

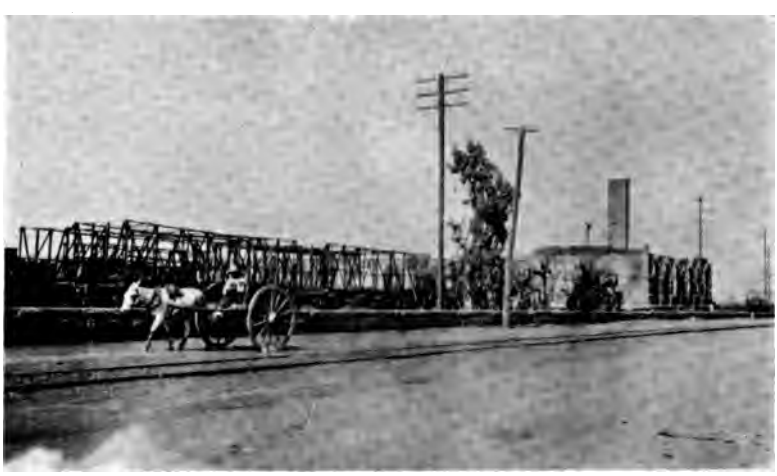
road repair shops in all portions of the Republic have been busy for over two years in repairing engines, freight and passenger cars, and the amount of work thus accomplished has been remarkable considering the conditions. The iron work of hundreds if not thousands of cars has been utilised in the construction of new ones and the process is going steadily forward. Locomotives that had been wrecked or temporarily disabled have been put in commission by the score, and the repair shops at all the railway centres are kept fully occupied with the work, as they have been continuously since the restoration of peace and as rapidly as the lines were again controlled by the Government.

The foregoing are well known facts easily susceptible of demonstration by personal observation, yet the *Post* correspondent has apparently preferred to repeat the allegations of antagonists of the Government rather than seek proof himself at first hand.

AS TO RECOGNITION

Fully as surprising is the statement that the United States and the Allies have not recognised the present government of Mexico as a de jure one, and "that their ambassadors and ministers are not at this writing (some time in September from all appearances) accredited to the de jure government.

The Government of Mexico was recognised by



THE RUINED RAILWAY DEPOT AND FREIGHT CARS AT MONTEREY. GENERAL VILLA'S OFFERING UPON HIS RETREAT FROM THE CITY

A TYPICAL MEXICAN RAILWAY TRAIN—FREIGHT, PASSENGER AND ARMED GUARD COMBINED

the United States Government as a de jure government in March last and has since that date been so regarded.

NEWS NOTES FROM MEXICAN NEWS BUREAU, 613 RIGGS BLDG., WASHINGTON, THURSDAY, OCTOBER 25, 1917

Some Facts About Mexican Railways

Rolling Stock of All Kinds Now Equal to Pre-Revolution Days—*Official Statements on the Subject.*

An interesting light is thrown upon statements recently made in the *Saturday Evening Post* and also in the *Mining and Scientific Press* of San Francisco concerning the condition of the railways in Mexico, which are far from the truth as will be shown. Great stress is laid by both publications upon the alleged wholesale destruction of engines and cars during the Revolution and upon what is claimed to be a present shortage of rolling stock.

The last annual report of the National Railways of Mexico, made in 1916, shows the following facts:

In 1913 before there had been any destruction of consequence there were 435 passenger coaches of broad gauge and 118 of narrow gauge. In 1916 there were 414 broad gauge and 101 narrow gauge—or a loss of but 21 and 17 respectively.

In 1913 there were 16,661 freight cars of broad gauge and 1,831 of narrow gauge. In 1916 there were 13,222 of broad gauge and 1,396 of narrow gauge—a loss of 3,439 of the one and 434 of the other.

In 1913 there were 635 broad gauge locomotives and 94 narrow gauge. In 1916 there were 596 of the broad gauge and 83 of the narrow—a loss of 83 and 11 respectively.

Since the date of this report large additions have been made to the rolling stock of all kinds, by repair, construction and purchase. Further additions are constantly being made.

General Agent De Hoyos, who represents the Constitutionalist railways in New York, is responsible for the statement that within the last six months there have been purchased 600 freight cars, 80 passenger cars and sixty locomotives. Three thousand cars are now under repair in the company's own shops, which when completed will bring the equipment practically to the same point as in 1913—in fact, it is larger so far as regards locomotives and passenger coaches, and but a trifle less in regard to freight cars.

In replying to these charges one must consider the fundamental inaccuracy contained therein, that is, that many of the railway lines which the present government are operating do not belong to the government at all. The Constitutionalist gov-

ernment "intervened," or confiscated this property and has been operating it for several years without paying the owners and investors one cent of dividend. This is very much like the situation in Mexico City with regard to the Street Railways. Until this summer they were operated as confiscated property by the government, contrary to all principles of international law. So when the Mexican News Notes speaks about the "wonderful" progress which the government is making it is necessary for the reader to remember that some of these railroad lines belong to private individuals, not to the Mexican Government.

With regard to the statement about work which has been done on the railroads I may say that President Carranza last summer authorised an American railroad expert, a personal friend of his, to travel throughout the country and investigate the railroad situation. In a confidential report this official said that there were 4,000 destroyed freight cars throughout the Republic and that because of a shortage of materials repairs could not be made until the materials were imported from the United States.

In the Monterey railroad yards there are 400 skeletons of freight cars destroyed during the revolution and not one of them has been touched.

During my stay in Mexico I travelled from Laredo, Texas, to Mexico City; from Mexico City to Monterey and from Monterey to Tampico by railroad. During the first day's trip our train was

held up five hours because of a destroyed bridge which was put together so poorly that four weeks later when I returned this way the engineer had to stop the train to test the bridge before pulling the passenger train across.

Railroad traffic between Vera Cruz and Mexico City is so poor that when I was ready to leave the capital for Vera Cruz a member of Mr. Carranza's cabinet told me to go north to Tampico because the line to Vera Cruz was not "safe."

The railway line between Tampico and Mexico City is not running because the bandits have destroyed some sections and because the Mexican Government cannot protect the trains.

The only repair work which is going on, so I was informed by American officials and other business men in the Republic, is that under the direction of foreign corporations.

In Monterey the Manager of the large Five Million Dollar Steel mills told me that he had to rebuild all locomotives and freight cars which his corporation used because the Mexican Government was not in a position to do so. He showed me about twelve freight cars in his shops which were being repaired and explained that under his contract with the government he had exclusive use of these cars for two years. I saw in his repair shops not less than five locomotives which his workmen were repairing. He stated that he had not only to rebuild the rolling stock but had to supply engineers, firemen and brakemen to operate the trains.

The American Smelting and Refining Company owns and operates all the trains it uses in Mexico for hauling ores and metals. It had to do this because the Mexican Government was not in a position to furnish it with the necessary rolling stock to take care of its shipping. In Tampico the foreign oil companies are using their own oil cars to ship their product in Mexico, and because of the bad condition of the Mexican railways, because of the delays, etc., the companies are now considering the construction of an automobile road from Tampico to the Texas border, or the laying of a pipe line.

Reports made to the American Consular Office at Monterey show that shipments are being held up not days but weeks and months because of a lack of rolling stock.

If the Mexican railways are "indeed well up to the standard (of the United States) in such matters" it would be interesting to know why the Pullman company will not permit any of its cars to cross the Rio Grande. It would be interesting, too, to know why none of the American railway companies will permit either passenger or freight cars to go into Mexico. When the revolutions began the Pullman company withdrew practically every car from the Mexican service. A few were "caught" in remote sections of the country and these are now being used as private cars by Mexican officials.

If conditions in the United States and Mexico

with regard to the railways are so similar one might ask the editor of the Mexican News Notes why it is that in Mexico federal troops are sent as escorts on all railway lines to protect the passengers and the property? If conditions are so normal why did the government send a special troop train to escort Ambassador Fletcher to the capital and why did this special train, with a heavy guard, run only during the day? Why, too, are most of the trains running between Mexico City and Laredo detained at night within some railway station?

APPENDIX D

THE PROPOSED AMERICAN CHAMBER OF COMMERCE

When I was in Mexico City the American business men were discussing the advisability of organising a Chamber of Commerce. In the Chapter on "The Last Spy Offensive" I mentioned what a contrast there was between the German intrigue in Mexico and the American business methods. I am adding the official statement of the American committee so that the reader may see what the full plans of the Americans are. In so doing I wish to add that contrary to the oft repeated charges in the United States that all Americans and foreigners in Mexico were exploiting the people I found that those Americans in Mexico to-day are the same high type men who are a credit to the United States business world. I met during my stay in Mexico only one pessimistic American merchant who lamented the disappearance of the "good old days" when President Diaz permitted the foreigners to do about as they pleased. He, the Pessimist, advocated intervention in order that these "good days" might return, forgetting perhaps that if the United States ever intervened in Mexico the methods would not be German.

The American folder runs as follows:

PROJECT FOR AN AMERICAN CHAMBER OF COMMERCE OF MEXICO

A committee has decided to submit to American residents and American firms established or interested in Mexico a proposal for the formation of an American Chamber of Commerce in Mexico City.

It is proposed to establish a purely commercial and non-political organisation which will foment the friendly trade relations between Mexico and the United States, and which, in co-operation with the representatives of the United States in Mexico, will be able to initiate as active a campaign for American trade as is now being carried on by organisations of other countries for their own interests.

To establish a nucleus upon which all American interests may centre and present a united front not only toward internal problems of trade, but also, through intercourse with chambers of commerce in the United States, toward the attitude of a great body of American manufacturers who, by reason of misinformation and by inaction, are imperiling their hold on a market which under all economic laws should be inalienably theirs.

To form a clearing house wherein business offered to firms outside of their particular line may

be promptly brought to the attention of such firms as are equipped to handle the same.

To establish headquarters in Mexico City for local organisation and for affiliation with chambers in the United States and with American chambers in the cities of Latin America and Europe.

To offer membership to American firms and American residents in the Republic of Mexico and in the United States.

To secure correspondents throughout Mexico and especially in localities that do not afford the services and co-operation of American consular officers.

To compile information thus gathered and to distribute or utilise it for the benefit of members and for promotion of American trade and industry; applying such information to inquiries from the United States and helping non-residents to discriminate between desirable and undesirable enterprises.

To publish a periodical bulletin and market reporter, carrying paid advertisements, and ultimately to establish and let space for exhibits both of American manufactures, and of the products of Mexico. To take up such other activities as the members may determine.

With these objects in view Americans are invited to join in organising an American Chamber of Commerce of Mexico.

The State Department at Washington, on being

informed of the plan to establish a chamber of commerce here, has authorised its consuls throughout Mexico to co-operate and to assist the chamber under the supervision of its consuls general.

Proposed Plan of Organisation

(Subject to Change by the Subscribing Members)

Directors and Officers

A board of fifteen directors to be elected by the members of the chamber and to have general charge of its affairs. Of these, five to be elected for one year, five for two years and five for three years.

The officers of the chamber shall be selected by the board and shall consist of a president, two vice-presidents, treasurer and secretary. All except the secretary must be members of the board. Honourary president and vice-presidents may also be chosen by the board.

An executive committee shall be designated by the board from its number. The board shall determine various committees to be established, appoint the members thereof and supervise their work.

Committees

Committees are recommended as follows:

1.—Executive,
2.—Membership,
3.—Finance,
4.—Publicity,
5.—Constitution,
6.—Entertainment,

7.—Trade,	10.—Transportation,
8.—Industrial,	11.—Agriculture,
9.—Mining,	12.—General Development.

Some committees would be of more immediate importance than others, but time would be saved for the future by appointing the most of them at once and getting their work started. Interest among merchants, manufacturers and financiers in the United States toward Mexico, although latent now, is widespread and will become active as soon as the European war closes or the situation clears further in Mexico.

Location

Suitable rooms will be secured and kept open daily, making this a common meeting place for members and visitors, with facilities for reading and writing. Space could be provided and let for foreign and native exhibits and samples.

Membership and Dues

The membership, limited to Americans, to be made up of these classes:

Members		Entrance Fee	Quarterly Dues	Vote
Active	Corporate	100 pesos	25 pesos	2
	Individual	50 "	12.50 "	1
Associate Resident		25 "	6.25 "	None
Associate Non-Resident	Corporate	50 "	12.50 "	None
	Individual	25 "	6.25 "	None

Active members may be either resident or non-resident.

A resident individual or firm engaged in business that employs a capital of more than 10,000 pesos shall be classed as a corporate member in regard to entrance fee, dues and votes.

A local firm or company with not more than 10,000 pesos capital may be classed as an individual active member with respect to entrance fee, dues and vote.

Americans residing in the Federal District and not engaged in business may enter either as active individual members or associate resident members.

Only active members shall serve on the board and on committees and be entitled to vote at meetings of the chamber.

Representation of corporate members at formal meetings must be by Americans.

Mexican corporations owned and controlled by Americans shall be considered American corporations.

Respectfully submitted,

By the Committee

H. P. Lewis
H. T. Oliver
H. A. Basham
F. J. Dunkerley
Carl Holt Smith
K. M. Van Zandt, Jr.
M. V. Stewart
W. L. Vail
Ralph Smith
A. B. Mohler

S. W. Rider, Chairman
Consul General, G. A. Chamberlain,
Advisory Member.

September, 1917.

APPENDIX E

PRESIDENTIAL ELECTION

The Mexican Review, published at Washington, printed the following statement regarding the election which was held after the adoption of the new Constitution.

Herewith are given the complete returns of the Presidential election held on March 11th, canvassed by Congress and announced as the official figures.

In every instance the ballots were blank, a space being left for the voter to inscribe the name of his favourite candidate. As will be seen, several thousand votes were cast for others than President Carranza, Generals Gonzales and Obregon leading in this respect. Many others received smaller numbers of votes, including General Alvarado and other prominent revolutionary leaders.

The figures follow on page 280.

CARRANZA OFFICIALLY DECLARED PRESIDENT

After canvassing the returns of the election from the various States, the Chamber of Deputies adopted a resolution in the following words, an-

States	Carranza	Gonzales	Obregon
Aguascalientes	7,394	28	17
Colima	4,874	27	19
Coahuila	26,841	53	219
Campeche	2,061	6	3
Chihuahua	5,883	2	57
Chiapas	14,277	3	.....
Durango	6,816	17	202
Guanajuato	91,226	3,328	708
Guerrero	9,825	.....	.....
Jalisco	34,135	28	52
Mexico	52,513	1,676	520
Michoacan	33,627	1,515	120
Nuevo León	33,166	8	10
Oaxaca	60,964	138	73
Puebla	57,519	1,215	193
Querétaro	14,754	491	111
S. L. Potosi	22,638	71	51
Sinaloa	12,710	24	169
Tabasco	6,163	2	5
Hidalgo	19,949	70	32
Tlaxcala	21,724	176	53
Yucatan	25,717	12	14
Zacatecas	20,732	67	66
Vera Cruz	39,455	276	172
Sonora	20,667	6	367
Tepic	8,856	2	9
Baja California	3,056	.....	25
Quintana Roo	345	12	2
Distrito Federal	70,003	1,773	553
Totals	797,305	11,615	4,008

The total number of votes cast was 812,928.

nouncing officially that in the election held on March 11th the Citizen Venustiano Carranza received 797,305 votes, against various other candidates with a much inferior number of ballots. The resolution was unanimously approved. It reads as follows:

The Chamber of Deputies of the Twenty-seventh Congress of the Republic of Mexico, constituted in an Electoral College and in use of the rights and faculties conferred upon them by Section I of Article 74 of the Political Constitution of the Republic, have decreed, after a careful ex-

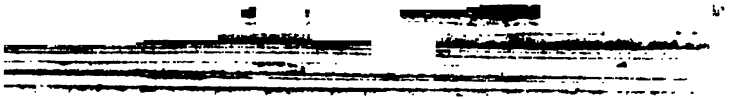
amination of the electoral computations verified on the second Sunday of March of this year:

Article I—The Citizen Venustiano Carranza is declared President for the term of four years beginning from December of 1916 until November of 1920, in virtue of having obtained an absolute majority of votes in the election.

Article II—In virtue of this, the Citizen Venustiano Carranza is cited to appear on May the first before the Chamber of Deputies, and with all the formalities of the law take the oath of office as President of the Republic.

Chamber of Deputies, Mexico, April 26, 1916.

EDUARDO HAY, *President.*
JESUS LOPEZ LIRA, *Secretary.*
FILOMENO MATA, *Second Secretary.*



[redacted]

Stanford University Libraries
[redacted]
3 6105 004 925 942

STANFORD UNIVERSITY LIBRARIES
STANFORD AUXILIARY LIBRARY
STANFORD, CALIFORNIA 94305-6004
(415) 723-9201
All books may be recalled after 7 days

DATE DUE

285 FEB 1 0 1994
DEC 15 1998

LA REVOLUCION Y SUS ENEMIGOS

EL NUEVO "DON QUIJOTE"

El Yanqui---nuevo Quijote---
Pretende con lanza en ristre,
"DESFACER," no lo molinos
Sino "lancear" a la ESFINGE.
Empeño inútil..... los "títeres"
Nunca pueden con los hombres;
Por eso el "CHARRO" se ríe

A mandíbula batiente,
Y a voz en cuello te dice:
Oh, "Quijote de Petate,"
Aunque tengas muchos rifles,
Muchos "dólares" y barcos,
No has de poder con la "ESFINGE"

Aug 11, 1917.
Defensa